



Housing Revenue Account Budget (including Capital Programme) 2022/23

Full Council: 23rd February 2022

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 to describe the City Mayor's draft budget for 2022/23, for consideration by the Council on the 23rd February 2022.

2. Summary

- 2.1 The financial landscape of the four-year period from 2016 to 2020 was dominated by the government requirement that rents be reduced by 1% each year. Despite this pressure, the HRA delivered balanced budgets. For the 5 years from 2020 rents are permitted to increase by up to CPI+1%. Whilst this relaxation will help to sustain a financially viable HRA and support investment in the housing stock, the continuing impact of Right to Buy (RTB) sales on rental income persists.
- 2.2 Significant investment is being undertaken to replace properties lost through RTB. This is being done through investment in energy efficient new build housing and by acquiring properties on the open market. This helps to sustain the future finances of the HRA, and further investment is proposed within this report. In addition to the investment in replacing properties there is a comprehensive capital maintenance programme in place to ensure that homes are maintained, and this is supplemented with investment into the wider estate. The proposals in this report support the continuation of this approach.
- 2.3 This report recommends that the budget for 2022/23 is set as a balanced budget, with a core rent increase of 4.1%.

3. Recommendations

- 3.1 Full Council is recommended to:
 1. Note the financial pressures on the HRA and comment on the proposals for delivering a balanced budget;
 2. Note the comments from the Tenants' and Leaseholders' Forum at Appendix G, the Housing Scrutiny Commission at Appendix H, and the Overview Select Committee at Appendix I;
 3. Approve the Housing Revenue and Capital budgets for 2022/23;
 4. Approve rent and service charge changes for 2022/23 as follows:
 - 4.1% increase to core rent;
 - 4.1% increase to garage rent;
 - 2.5% increase to Hostel rent and service charges;
 - 7.29% increase in District Heating charges;
 - 2.0% increase to all other service charges;
 5. Note the equality impact assessment of the proposed revenue and capital reductions required to present a balanced budget, at Appendix J;
 6. Note that the scheme of virement (included within the General Fund Revenue Budget report which is also on your agenda) applies also to the HRA budget with total expenditure and total income acting as budget ceilings for this purpose;
 7. Note that the capital strategy in that report applies also to the HRA;

8. Agree that the delegations and determinations applicable to the main capital programme (which is also on your agenda) shall also apply to the capital programme in this report.

4. Report

4.1 The overall aim of Leicester City Council's Housing Division is to provide a decent home within the reach of every citizen of Leicester. This underpins the priorities for the HRA budget.

4.2 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 £238m. The HRA budget is set by modelling expected levels of income and expenditure.

4.3 Revenue Cost Pressures

4.3.1 The primary external pressure on the HRA continues to be reduced rental income arising from the loss of stock through RTB sales, as well as inflation on staffing costs and materials. Table 1, below, summarises the known pressures and budget growth requirements within the HRA:

| Table 1: Revenue Cost Pressures | 2022/23 £000 |
|---|-------------------------|
| RTB Sales | 1,189 |
| Inflation (including staffing costs) | 1,303 |
| Interest and Debt | 516 |
| Energy Costs | 551 |
| Capital Expenditure Funded from Revenue | 1,250 |
| Void Costs | 829 |
| Business Systems | 550 |
| Total Cost Pressures | 6,188 |

4.3.2 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 £84,600 compared with £24,000 in 2012. Although sales reduced during the height of Covid restrictions, a resurgence in interest from tenants is now being seen. Over the last 5 years nearly 1,900 properties have been lost from the HRA, with a consequent loss of rental income. In addition, the economies of scale that come from managing a large portfolio are gradually being eroded. It is forecast that rental income will be nearly £1.2m lower in 2022/23 as a result of 350 Right to Buy sales.

4.3.3 Inflation

Employee costs are forecast to rise by just under £1m in 2022/23, largely as a result of an assumed 2.5% pay increase alongside known increases to pension contributions and the 1.25% increase in employers' National Insurance (pending the introduction of the Health & Social Care Levy). Some of the most significant inflationary pressures are

being experienced in building materials, and the HRA is likely to suffer from increased costs during 2022/23.

4.3.4 Interest & Debt

HRA finances are improved through the building and acquisition of properties for affordable rent, and this has expanded significantly in recent years. Borrowing is used to part-finance these properties, and a proportion of this debt is repaid each year. The growth in the number of affordable properties means that more debt is now being repaid each year. This is more than offset by the additional £2.2m of income from these properties, highlighted at section 4.5.2.

4.3.5 Energy Costs

Although the Council purchases energy in advance, and has been able to secure favourable prices, it is predicted that costs will rise by 20% for 2022/23, presenting a pressure of over £0.5m. In part, this is a reflection of advantageous prices that have been secured for 2021/22.

4.3.6 Capital Expenditure Funded from Revenue

The default source of funding for the maintenance aspects of the HRA capital programme (i.e. excluding affordable housing) is from revenue resources, which in 2021/22 amounted to £16.2m. In 2022/23 the figure increases by £1.25m to £17.46m, drawing on additional resources and representing a revenue pressure. These schemes are detailed in section 4.6, below.

4.3.7 Void Costs

There will always be periods of time during which properties are not occupied and rental income is lost. Historically, this has been dominated by the void period between the end of one tenancy and the start of the next. With the purchasing of properties from the open market it can take time to complete the required refurbishment works, especially for those properties that have been empty for some time or bought as part of a portfolio. This means we are liable to pay Council Tax whilst void. These combined lead to a £0.8m cost pressure.

4.3.8 Business Systems

In 2016 a new system was introduced for holding and managing Housing information and was paid from the capital budget. The system is now fully embedded and therefore the staff and continued development is a revenue cost going forward.

4.4 Rents & Service Charges

4.4.1 Following four years of rent reductions from 2016, which reduced rental income by £3.1m p.a., 2022/23 is the third of 5 years in which rents may be increased by up to CPI+1%. CPI as at the end of September 2021 was 3.1%, meaning that rental increases of up to 4.1% are permitted. The recommendation of this report is to apply a rental increase of 4.1%, based on the pressures detailed in this report, and the need to maintain a programme of capital maintenance.

4.4.2 Whilst garage rents are set separately to dwelling rents it is proposed to increase these in line with the core rental increase of 4.1% (September CPI +1%).

4.4.3 Service charges should be set with the intention of recovering the full cost of providing the service. Currently, tenants and leaseholders are benefitting from charges which are set below the cost of delivery. Whilst addressing this disparity will be the subject of

a future report, it is proposed that for 2022/23 an increase in service charges of 2% be applied.

4.4.4 Approximately 2,400 tenants and 800 leaseholders are supplied heating and hot water through the District Heating scheme. Costs for these tenants are charged based on the underlying cost of fuel, averaged on a 3-year basis. Through advanced purchasing of gas and electricity tenants on the scheme benefit from buying when the cost is low, and to an extent, are insulated from short-term fluctuations in prices. This advanced purchasing has meant that increases in costs for the scheme, whilst still significant, are somewhat lower than that being experienced in the market more generally. Wholesale gas prices from January to October 2021 rose by 250% nationally. It is proposed that the prices under the district heating scheme be increased by 7.29%.

4.4.5 Hostel rents and service charges were re-calculated for 2021/22 in order to ensure that expenditure is fully re-couped. Costs for the service are expected to increase by 2.5% in 2022/23 so an equivalent increase in rents and service charges is proposed.

4.5 Revenue Savings

4.5.1 The proposals within this report meet the identified budget pressure of £6.188m in 2022/23. The proposed changes to rent and service charges at section 4.4 would result in additional income of £2.9m. Table 2, below, summarises the additional income and proposed savings to deliver a balanced budget:

| Table 2: Additional Income & Reductions in Expenditure | 2022/23 £000 |
|---|-------------------------|
| Dwelling Rent & Service Charges | (2,934) |
| Rent from Supply of New Housing | (2,161) |
| Running Costs (incl. Buildings) | (480) |
| Staffing | (400) |
| External Contractors | (213) |
| Total Savings | (6,188) |

4.5.2 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 just under £2.2m in 2022/23 as a consequence of this.

4.5.3 Running Costs (incl. Buildings)

Partly as a consequence of new ways of working, savings have been identified on buildings which will not be required going forward. The profile of team running costs has also changed over time, enabling the release of budget savings. Further savings will be realised from a reduction in the need for vehicles.

4.5.4 Staffing

A reduction in staffing across the Repairs & Maintenance and Gas teams will be achieved as a result of there being fewer properties held within the HRA, saving £330k. A further £70k will be achieved through rationalisation of the Transformation Team, which provides project support and coordination.

4.5.5 External Contractors

External contractors are used in a number of areas where work is demand-led, and underspends in 2021/22 indicate that budget of £213k can be released as savings. The largest aspect of this in relation to structural repairs (such as underpinning when foundations fail or the insertion of steel lintels above windows).

4.5.6 In summary, the proposals outlined in this report for 2022/23 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 year.

4.6 **Capital Expenditure**

4.6.1 The 2021/22 capital programme (excluding budgets slipped from previous years) is £87.8m, with £70m of this relating to the Affordable Housing programme of building and buying properties.

4.6.2 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 2021/22.

4.6.3 Appendix B shows the proposed capital programme for 2022/23. Some schemes fall out of the programme, including one-off retro-fitting feasibility work and the Bridlespur Way refurbishment, and Fencing replacement. The following changes are proposed:

4.6.4 Kitchens & Bathrooms

During 2021/22 up to 600 kitchens and bathrooms will have been installed, despite contractor issues having been experienced. Contractor availability is expected to be restricted into 2022/23 with no more than £3m expected to be spent during the year, a reduction on the £3.6m current annual budget. This will enable 825 kitchens and bathrooms to be installed.

4.6.5 Boilers

Most of the non-standard boilers have now been replaced, meaning that boilers are lasting longer and being repaired more easily. This results in a reduction in the capital budget requirement from £3.4m to £2.8m. 650 boilers will have been replaced in 2021/22, and the proposed budget for 2022/23 will be sufficient for a further 900.

4.6.6 Windows & Doors

Whilst the programme of works for replacement of windows and doors is now complete, it has been identified that significant work will be required in future years beyond 2022/23. It is necessary to set aside resources now to ensure adequate provision.

4.6.7 Door Entry

The upgrading of door entry systems has been suspended pending a review of more efficient cloud-based solutions. A budget for this in 2022/23 will therefore not be required.

4.6.8 District Heating Maintenance

Maintenance work is progressing well, such that this budget can be reduced by £75k in 2022/23.

4.6.9 Communal & Environmental Works

The continuation of the £750k budget, distributed across the city, will enable works such as parking improvements, resurfacing courtyards, and improving the security of estates by the installation of gates.

4.6.10 Public Realm Works

A 3-year public realm improvement programme will continue into 2022/23, totalling £5m of investment in the St Matthews and St Peters areas of the city.

4.6.11 Adaptations for Incoming Tenants

Additional budget was added into the capital programme for 2021/22 to adapt properties and make them suitable for people on the Council housing waiting list. This work will now take place in 2022/23.

4.6.12 Fire Risk Works

Slippage has been reported against this budget throughout the year, linked to a national delay in the manufacturers of fire doors gaining accredited approval for their use from government. The slipped budget from 2021/22 will be sufficient for 2022/23, with no additional budget requirement. By the end of 2021/22, sprinkler systems will have been installed in 3 of the 5 high storey tower blocks, with the remaining 2 blocks scheduled in.

4.6.13 Property Conversions and Extensions

£500k was added to the 20/21 programme for use in 2020/21 and 2021/22 to help address overcrowding in properties. A further £250k will be required in 2022/23 to continue the work on extending/converting properties.

4.6.14 Affordable Housing – Acquisitions & New Build

In November 2019 Full Council approved the addition of £70m for the purchase of properties and the extension of the Council's new-build programme; the 2021/22 budget increased this to £100m. Subject to the availability of suitable property and the speed of the new build programme, the expectation is that this budget will be fully spent by the end of March 2022. By the end of the year this will have helped secure approximately 1,250 additional properties in the city.

An addition of £100m will enable the momentum to be maintained, providing funding for, amongst others, the phase 2 sites at Saffron Lane and Lanesborough Road, and Stocking Farm. The amount being added assumes a level of future RTB sales, and receipts flowing from them. Should fewer units be lost to RTB sales then the scope of the programme will need to be managed accordingly, to ensure that RTB receipts continue to finance 40% of the costs.

The Housing building programme has delivered new homes that have improved energy efficiency and this year work commenced on our most highly energy efficient council homes. These homes will have EPC energy rating of A, will be much better for the climate and more efficient for those living in them.

4.6.15 Dawn Centre Reconfiguration

The Dawn Centre provides accommodation-based support for single homeless households. It currently has 44 self-contained rooms, which could be increased by 8 through £450k of work, which includes a reconfigured and improved reception. Increasing the capacity of the centre will have a positive impact in reducing expenditure on bed and breakfast accommodation.

4.6.16 Climate Change and Decarbonisation

The current capital programme includes an investment of £1.8m in Green Homes, supporting external wall insulation in hundreds of council properties across the city. Underspends on the capital programme during 2021/22 have also enabled the Council to bid into government grants, leading a consortium bid to the Social Housing Decarbonisation Fund. In particular, this facilitates additional insulation works and air source heat pumps which, as well as helping to address the climate emergency, also saves tenants money on their energy bills. £900k of HRA resource was identified for this purpose. Moving forward, capital underspends cannot be relied upon to finance such bids, and there is a need to ensure funds are set aside in advance. £900k is included within the proposed 2022/23 capital budget for this purpose.

4.6.17 St Matthews Concrete Works

Survey work is currently being undertaken on the concrete across the St Matthews Estate, including balconies and walkways. Until the survey work is complete it isn't possible to identify the scale or cost of the work required, but provision has been made to commence the works in 2022/23.

4.6.18 The financing of the proposed capital programme is shown in the table below. This results in an increase in funding from revenue of £1.25m in 2022/23, reflecting the figure at paragraph 4.3.6.

| Table 3: Financing of HRA Capital Programme | 2021/22 £000 | 2022/23 £000 |
|--|-------------------------|-------------------------|
| Funded from Revenue | 16,210 | 17,460 |
| Funded from Reserves | 1,600 | 0 |
| Funded from Right to Buy Receipts (incl. Allowable Debt) | 29,000 | 50,000 |
| Funded from Borrowing | 41,000 | 50,000 |
| | 87,810 | 117,460 |

4.6.19 Authority for amendments to the HRA capital programme is in line with that for the corporate programme as set out in the Capital Programme Report to Council on 23rd February 2022.

4.7 **HRA Reserves**

4.7.1 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 providing cover for major repairs. In keeping with this approach, no reserves are proposed to be used to balance the budget for 2022/23.

4.7.2 Projections of the HRA reserve position at the end of 2022/23 indicate that there will be only limited unallocated reserves, in the region of £4.6m. Given the long-term financial risks facing the HRA, it is considered prudent not to make use of these funds at the current time.

| | |
|---|--------------|
| Forecast Opening Reserves Balance as at 1 st April 2022 | £33.1m |
| Amount held to cover minimum working balances | £5.0m |
| Amount held to finance prior years' capital approvals (including policy provisions) | £10.4m |
| Earmarked for future anticipated calls on reserves | £13.1m |
| Forecast Unallocated Reserves Balance as at 31st March 2023 | £4.6m |

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 34% of Leicester's overall carbon emissions. Following the Council's declaration of a climate emergency in February 2019 and launch of the Council's Climate Emergency Strategy & Action Plan, addressing these emissions is vital to meeting our ambition to make Leicester a carbon neutral city, particularly through the Council's own housing, where it has the highest level of influence and control.

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. Improving energy efficiency should also help to ensure that housing reaches a high standard, reduce energy bills for tenants and helps to limit maintenance costs.

5.3.3 This is reflected within the report, including in section '4.6.16 Decarbonisation', which provides details of investment in energy efficiency measures and bids into government grants including the Social Housing Decarbonisation Fund to deliver further works. As noted in the report the Council is also delivering new EPC A-rated low-carbon housing through its building programme. Appendix F provides further details as part of 'Priority three – Making Leicester a low carbon city', including a programme of staff Carbon Literacy training.

Aidan Davis, Sustainability Officer, Ext 37 2284

6. Background information and other papers:

None

7. Summary of appendices:

Appendix A: Proposed HRA Revenue Budget 2022/23
Appendix B: Proposed HRA Capital Programme 2022/23
Appendix C: Other Service Charges and Payments 2022/23
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: Minutes of the Housing Scrutiny Commission
Appendix I: Minutes of the Overview Select Committee
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

Proposed HRA Revenue Budget 2022/23

| | - 2022/23 - | | | |
|--|--------------------------------------|--|--|---------------------------------------|
| | 2021/22 Current Budget £000 | 2022/23 Budget Pressures £000 | 2022/23 Savings & Reductions £000 | Proposed 2022/23 Budget £000 |
| Income | | | | |
| Dwelling & Non-Dwelling Rent | (74,851) | 1,662 | (5,027) | (78,216) |
| Service Charges | (5,798) | 0 | (168) | (5,966) |
| Total Income | (80,649) | 1,662 | (5,195) | (84,182) |
| Expenditure | | | | |
| Management & Landlord Services | 20,311 | 1,714 | (187) | 21,838 |
| Repairs & Maintenance | 25,253 | 1,005 | (806) | 25,452 |
| Interest on Borrowing | 8,870 | 516 | 0 | 9,386 |
| Charges for Support Services | 4,221 | 40 | 0 | 4,261 |
| Contribution to GF Services | 5,784 | 1 | 0 | 5,785 |
| | 64,439 | 3,276 | (993) | 66,722 |
| Capital Funded From Revenue | 16,210 | 1,250 | 0 | 17,460 |
| (Surplus) / Deficit Before Reserves | 0 | 6,188 | (6,188) | 0 |
| Funding From Reserves | 0 | 0 | 0 | 0 |
| Contributions To Reserves | 0 | 0 | 0 | 0 |
| (Surplus) / Deficit | 0 | | | 0 |

HRA Capital Programme 2022/23

The table below shows the 2021/22 capital programme as at October 2021 (excluding budgets slipped from previous years' programmes), and the proposed programme for 2022/23. All of the schemes listed for 2022/23 are immediate starts.

| | 2021/22 Capital Programme £000 | 2022/23 Capital Programme Additions £000 |
|---|-----------------------------------|--|
| Kitchens & Bathrooms (para 4.6.4) | 3,600 | 3,000 |
| Boilers (para 4.6.5) | 3,425 | 2,800 |
| Re-wiring | 1,760 | 1,760 |
| Re-roofing | 900 | 900 |
| Soffits & Facia | 350 | 350 |
| Windows and Doors (para 4.6.6) | 150 | 1,000 |
| Door Entry (para 4.6.7) | 150 | 0 |
| District Heating Maintenance (para 4.6.8) | 725 | 650 |
| Communal Improvements & Environmental Works (para 4.6.9) | 750 | 750 |
| Public Realm Works (para 4.6.10) | 1,900 | 1,900 |
| Disabled Adaptations | 900 | 900 |
| Adaptations for Incoming Tenants (para 4.6.11) | 300 | 0 |
| Fire Risk Works (para 4.6.12) | 850 | 0 |
| Safety Works including Targeted Alarms | 300 | 300 |
| Loft Insulation | 100 | 100 |
| Waylighting | 150 | 150 |
| Sheltered Housing Improvements (ASC) | 100 | 100 |
| Concrete Paths Renewal | 100 | 100 |
| Property Conversions & Extensions (para 4.6.13) | 0 | 250 |
| Affordable Housing - Acquisitions & New Build (para 4.6.14) | 70,000 | 100,000 |
| Business Systems | 550 | 0 |
| Fencing Replacement | 200 | 0 |
| Bridlespur Way Refurbishment | 300 | 0 |
| Dawn Centre Reconfiguration (para 4.6.15) | 0 | 450 |
| Climate Change and Decarbonisation (para 4.6.16) | 250 | 900 |
| St Matthews Concrete Estate Work (para 4.6.17) | 0 | 1,100 |
| Total Capital Programme | 87,810 | 117,460 |

Other Service Charges and Payments

It is proposed that the payments and charges shown in the table be as follows:

| 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 | <p>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 allowances are as follows:</p> <table style="margin-left: 40px;"> <tr> <td>Bedsit £130</td> <td>4-Bed £230</td> </tr> <tr> <td>1-Bed £155</td> <td>5-Bed £255</td> </tr> <tr> <td>2-Bed £180</td> <td>6-Bed £280</td> </tr> <tr> <td>3-Bed £205</td> <td>7-Bed £305</td> </tr> </table> | Bedsit £130 | 4-Bed £230 | 1-Bed £155 | 5-Bed £255 | 2-Bed £180 | 6-Bed £280 | 3-Bed £205 | 7-Bed £305 | | | | | | | | | | | | | | | | | | | | | | | | |
| Bedsit £130 | 4-Bed £230 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1-Bed £155 | 5-Bed £255 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2-Bed £180 | 6-Bed £280 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3-Bed £205 | 7-Bed £305 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 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> <td>Halls (flats/bungalows)</td> <td>£45.00</td> </tr> <tr> <td>Kitchen</td> <td>£56.25</td> <td>Hall/Stairs/Landing</td> <td>£78.75</td> </tr> <tr> <td>Lounge</td> <td>£67.50</td> <td>Large Bedroom</td> <td>£67.50</td> </tr> <tr> <td>Dining Room</td> <td>£67.50</td> <td>Middle Bedroom</td> <td>£56.25</td> </tr> <tr> <td>WC (where separate)</td> <td>£22.50</td> <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 | Halls (flats/bungalows) | £45.00 | Kitchen | £56.25 | Hall/Stairs/Landing | £78.75 | Lounge | £67.50 | Large Bedroom | £67.50 | Dining Room | £67.50 | Middle Bedroom | £56.25 | WC (where separate) | £22.50 | 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 |
| Bathroom | £45.00 | Halls (flats/bungalows) | £45.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Kitchen | £56.25 | Hall/Stairs/Landing | £78.75 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Lounge | £67.50 | Large Bedroom | £67.50 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Dining Room | £67.50 | Middle Bedroom | £56.25 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| WC (where separate) | £22.50 | 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 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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 2021/22 | Formula Rent 2021/22 | Housing Assoc. 2019/20 | Private Sector (LHA rate) 2021/22 | Private Sector (City Wide) 2019/20 |
|----------------------|--------------------|-----------------------------|-------------------------------|--|---|
| Room only | - | - | - | £78.00 | £91.38 |
| Bedsit (studio) | £57.64 | £65.41 | £58.06 | - | £96.69 |
| 1 bed | £64.83 | £69.83 | £68.79 | £103.56 | £121.15 |
| 2 bed | £76.46 | £80.47 | £81.15 | £130.03 | £150.46 |
| 3 bed | £85.22 | £89.40 | £88.59 | £155.34 | £167.08 |
| 4 bed | £97.51 | £101.10 | £105.29 | £205.97 | £246.69 |
| 5 bed | £104.21 | £109.21 | £109.78 | | |
| 6 bed | £118.17 | £115.44 | £122.95 | | |

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 proposed capital budget for 2022/23 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

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 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

This appendix sets out how we are meeting these priorities and plans for investment in our 19,984 council homes and their neighbourhoods.

Priority one – Providing Decent Homes

Just under 1 in 7 homes in Leicester is a council house, flat, maisonette or bungalow. 13.6% of all homes in the city are council homes. 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, re-wiring, kitchens and bathrooms.

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.

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 analyse stock condition and plan major work accordingly, when it is required.

The Government's 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 reasonable repair;
- It has reasonably modern facilities and services; and
- It provides a reasonable degree of thermal comfort.

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 elements for improvements are kitchens and bathrooms. Our current commitment is to refurbish all kitchens and bathrooms by 2036.

The table below shows the key Capital Programme work being carried out during 2021/22 and our proposals for 2022/23.

| Programmed element | Achievements and proposals |
|-------------------------|---|
| Kitchens and bathroom | We expect to have installed 600 kitchens / bathrooms in 2021 / 22. During 2022 / 2023 we are expecting to install a further 825. As at the 1 st April 2021 78% of all council properties have had either a Leicester Standard kitchen or bathroom. |
| Rewiring | We expect to have rewired 575 homes in 2021/ 22 and a further 550 during 2022 / 23. |
| Central heating boilers | Boilers are replaced every 15 years based on condition data from the annual gas service. We expect to have replaced 650 boilers in 2021/22 and a further 900 in 2022/23. |
| Roofing and chimneys | We expect to have installed 136 new roofs in 2021 / 22 and a further 140 in 2022 / 23. |
| Central heating systems | We have 124 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 45 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, fascias and guttering | By replacing these items with UPVC, it will help to reduce long term maintenance costs. During 2021 / 22, we anticipate installing UPVC soffits, fascias, gutters and cladding to 224 properties and a further 200 properties in 2022 / 23. |
| 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. In 2021 / 22, we expect to complete work on 658 properties and a further 650 in 2022 / 23. 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 |

The Government's Housing White Paper "The Charter for Social Housing Tenants" was published in November 2020. This document states the Government intends to review the Decent Homes Standard, for which we are waiting further information. It is anticipated that changes to the Decent Homes Standard will result from this review, particularly new standards in relation to communal areas around homes and meeting zero carbon targets.

From time to time we carry out major refurbishment projects. Our current projects include the replacement of the lift at St Leonards Court and the installation of second one, carrying out a full refurbishment of a block of flats called The Leys and work has also commenced on the demolition of Goscote House this year. Fire safety is of paramount importance to us as a landlord. We have agreed to fit sprinkler systems at our 5 high story blocks. Work installing sprinklers at Maxwell House has been completed and work on the 4 other blocks has been programmed in. We are also investigating options to improve our IT asset management and fire safety systems.

It is crucial we continue to repair and maintain homes. During 2019/20, 88,072 repairs were completed, however, the number of completed repairs for 2020/21 was significantly reduced to 37,800, as a result of the operational restrictions placed upon us by the Covid 19 pandemic. For a large part of that year we were providing an emergency service only. As we now return to business as usual, work has started on the backlog of non-urgent repairs that have built up over the previous year.

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 2019 / 20 the average time to re-let a routine void property was 64.1 days. Due to Covid 19 repair work on vacant properties was restricted for a

period of time, which meant the average re-let time increased to 114.7 days. However, we expect this average to fall by the end of 2021 / 22.

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

Key to the delivery of all our services in our neighbourhoods is our income collection. Despite the significant challenges of 2020 / 21 the Income Management Team have worked hard to support tenants in paying their rent, ensuring arrears reduced from £2,036m in 2019 / 20 to £1,799m in 2020 / 21, enabling the division to continue to deliver high quality services.

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. Creating sustainable communities is also more than housing, it means cleaner, safer, greener neighbourhoods in which people have confidence and pride.

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 made significant contributions to improving the overall image, appearance and general quality of life within our estates.

In 2021 / 22 environmental and communal works budget 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:

- Improvements to parking areas on Tudor Road, such as installing, fencing, gates and improved security
- Installation of security gates and intercom systems in Dupont Gardens
- Painting internal communal areas of flats in the Abbey ward and Morton estate
- Improvement to bin storage areas on Bridlespur Ways and Bluegates Road
- Creation of additional parking spaces on Scalpay Close, Thornholme Close, Forbes Close, Stornaway Road
- Removal of fly tipping in the Beaumont Leys ward and Thurncourt Road
- Joint flood prevention work with Highways on Donaldson Road
- Ground maintenance improves to Ambassador Road, St Marks, Belgrave, Rushey Mead and Kerrial Gardens
- Painting yellow lines and improved road signage to alleviate parking issues in St Andrews
- Fencing improvements to Narborough Road
- Gating off internal drying areas on Blackmore Drive to improve fire safety

A total of £5m is being invested in a 5-year Public Realm Improvement Programme, primarily in the St Matthews and St Peters areas of the city.

The Leicester to Work scheme carries out painting, clearing of alleyways, removal of graffiti and other works to improve the look of the local environment.

The Housing Division works closely with the Probation Service through the Community Payback scheme, undertaking tasks such as litter picking, painting and tidying up the green areas in our estates.

District Managers attend ward community meetings and other local forums where concerns about anti-social behaviour are often raised. We work closely with the police and are involved in the local Joint Action Groups.

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 2020 / 21 we received 1,244 reports of anti-social behaviour that were investigated and, where necessary, action was taken against perpetrators. This was 243 less reports than the previous year.

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 repairs workforce is fully mobile. This year, due to the Covid 19 restrictions, we have had to radically change the way we work to keep our workforce and our tenants safe. We have continued to carry out essential visits to our estates, such as fire safety visits to our blocks of flats and maisonettes and responding to emergency situations in people's homes, but a vast majority of our work has been carried out remotely using technology. Tenancy management teams made over 6,500 calls to vulnerable tenants, to identify specific support needs, as part our initial pandemic response. As the Covid 19 restrictions are lifted officers are now out and about on estates more frequently.

Housing office services are now re-opening in shared buildings within local communities. 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 169,172 calls during the working day on the tenant's advice line. 91,292 of these calls were about repairs. A further 14,382 calls were made out of hours.

We have introduced online functionality, called Housing Online that allows eligible applicants to apply to the Housing Register and once accepted to bid on available properties, known as Leicester Home Choice. Once they become a tenant, they are able to view and download rent statements. Tenants are able to view recent repairs

to their property, as well as report new, non-emergency repairs. There is the facility for tenants to select a convenient appointment slot when these repairs are requested.

It is important that we listen to tenants and leaseholders to understand their views on the Housing services they receive and how these can be improved. Particularly when improvements to neighbourhoods are being considered. We work closely with the Tenants' and Leaseholders' Forum which has representatives from across the city. We consult with the Forum for their views when key decisions are being considered.

The Government's Housing White Paper places a greater emphasis on all social housing landlords to listen and act upon the views of tenants. In response to this we are embarking on a review of our approach to tenant involvement and to develop an Involvement Strategy, to build upon and improve the arrangements we currently have in place.

To address the needs of leaseholders we have a Leaseholders Liaison Team who are responsible for responding to Council leaseholder queries and improving services to meet their needs. Regular Leaseholder Forums take place to allow leaseholders to discuss particular issues affecting this tenure type and to put forward suggestions for improvement.

Priority three – Making Leicester a low carbon city by improving the energy efficiency of homes

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 all residential CO2 emissions from 651,000 tonnes in 2006 to 530,000 tonnes by 2012, a reduction of 121,000 tonnes. Through the Housing Capital Programme initiatives CO2 emissions from council houses reduced by 58,523 tonnes between 2005 and March 2017. This means that we have already exceeded the specific target set in relation to the reduction of Council home emissions.

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.

During 2021/22 we will continue our programme of installing more efficient boilers, as boilers need replacing, increasing loft insulation to 250mm and putting in double glazed windows and doors as demand arises. This work will continue in 2022/22.

Approximately 3,350 properties are now on our district heating scheme.

The Housing Division has been successful in bidding for additional external funding in its Climate Emergency work for Green Homes grant. This year it has successfully drawn in £0.9m of external funding to undertake external wall insulation of hundreds of council properties in Leicester.

The Housing Division and Council is also leading on a consortium bid to the Social Housing Decarbonisation fund with seven Registered providers to improve the energy efficiency of properties within the City. The total bid is £6.9m to include funding for External Wall insulation, Loft insulation, Air Source heat pumps, triple glazing and loft insulation.

A programme of Climate literacy staff training has begun this year to support staff in the work that is required to deliver on the Councils climate commitments.

Our House building programme so far has delivered new homes that have improved energy efficiency. This year the homes we are starting to build will be our most highly energy efficient council homes. These homes will have EPC energy rating of A, which will be much better for the climate and more efficient for those living in them.

Our existing Council housing investment programmes continue to deliver loft insulation, A rated Boilers, LED lighting in communal areas, upgrading storage heaters to positively impact the efficiency of Council homes.

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

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 third of this need over the past 10 years, despite last year’s 340 completions being the highest achieved in the past 5 years.

In October 2021 there were 5,850 households on the Housing Register. Demand for Housing is very high in Leicester, but it is also a city with a relatively low average household income. For many, renting from the council or a housing association is the only hope of a decent and settled home.

Right to Buy sales reduce the number of council homes available at an affordable rent. In 2020/21 204 homes were sold under the Right to Buy scheme, which has been lower than in previous years. At the end of 2021/22 we expect to revert back to the normal sales of around 400 homes per annum.

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 means they 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. Recent government changes to rules now mean that up to 40% of eligible capital costs of new supply of affordable housing can be met from Right To Buy Receipts; this change is expected to help make schemes proposed on challenging / constrained sites more financially viable and therefore more likely to proceed to completion.

In order to meet Housing need there is now an active programme of housing development through the Housing Revenue Account. The Executive has approved over £100m to deliver new social housing. A pipeline of delivery of 1500 units on multiple sites has been identified and agreed by the Executive for the 4-year term. By the end of 2021/22 the Council will have been directly involved in the delivery of 1,242 units of new affordable housing in the city, through the Council housebuilding programme, acquisitions and through the Section 106 process.

During the first phase of council housebuilding 29 properties were built on Ambassador Road, Selby Avenue, Maplin Road, Brocklesby Way, Felstead Road and Rosehill Crescent at a cost of £4.6m. Phase 2 of house building is also being planned, with potential sites at The Velodrome and Lanesborough Road. Phase 2b and Phase 3 sites have been identified. In addition to this, 2 Adult Social Care extra care schemes are in development which will provide an additional 155 units.

When a property, previously sold under Right to Buy, is placed back onto the market, the Council has the first opportunity to buy this property back. We are increasingly taking up this option to increase our supply of affordable housing. In 2020/21 the council bought back 109 homes that had previously been sold through the Right to Buy scheme. Between April and October, a further 49 have been purchased, with offers made and accepted on a further 60 that are progressing through to completion.

Vacant Council properties are advertised through Leicester HomeChoice. Last year 196 Council tenants transferred within the stock to homes better suited to their need and 638 households became new Council tenants. In the first 6 months of 2021/22, 97 tenants had transferred properties and 400 new tenancies commenced.

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.

Work has started on a scheme to undertake extension work at properties where households are experiencing overcrowding, rather than them having to move through the Housing Register to resolve the issue.

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. During 2020/21, 108 minor adaptations took place in tenants' homes, such as ramps and door widening. There were also 109 major adaptations, such as level access showers, stair lifts and through floor lifts. This work will continue in 2022 / 23 in response to assessments by Adult Social Care and Children's Services.

As well as providing homes for people it is also important that we provide support to people to maintain their tenancy. 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. The service also works closely with Children's Services to help looked after children, foster families, children leaving care and other vulnerable families.

Housing Officers undertake a programme of Welfare Visits to tenants who may be vulnerable. This contact 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.

In 2020/21 96.7% of Council tenancies were sustained. This means that 96.7% of people who became new tenants in 2019/20 remained in their tenancy 12 months later. During 2020/21 the STAR service provided longer term support to 953 tenants and provided short term support to 1,407 tenants.

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

The Housing Division makes a significant contribution to the local economy, having a range of contracts in place with local businesses to provide specialist repairs in our Council homes, where these are beyond the remit of our craft operatives. All contracts have local labour and social value clauses.

The Housing Division also employs a workforce of just over 1,000, funded through the Housing Revenue Account. Additional employment is created with local firms through the procured contracts that the Housing Division has to undertake certain types of work for the Division.

The Housing Division continues to provide craft apprenticeship opportunities each year and has the largest programme in the Council. A number of existing posts this year have been converted into apprenticeship opportunities within Housing, creating even more opportunities in the City.

Housing's Neighbourhood Improvement Scheme continues to help the long-term unemployed by giving pre-employment training and a period of 6 or 12 months' work experience

Work experience is also offered to school students, graduates and ex-offenders. During 2021/22 we have also taken up the opportunity to recruit to posts under the Governments Kickstart programme.

The Housing Division has this year commenced two schemes with partners. St Mungo's and BEAM are now working with Housing to deliver improved work outcomes and job opportunities for those facing homelessness and also for tenants.

Feedback from Consultation with Tenants' and Leaseholders' Forum

A meeting was held with the Tenants' and Leaseholders' Forum on the 14th December 2021. Officers gave a presentation on the wider financial difficulties facing the Council and then specifically the pressures impacting upon the Housing Revenue Account. Officers presented the proposals for the Housing Revenue Account budget and Capital Programme for 2022/23. Information was provided outlining the rationale for each proposal being made.

At the Forum meeting members were asked 4 specific questions:

- 1. Taking into account the financial pressures faced, the fact we still have the lowest average rents when compared with a lot of other housing providers and the services we have in place to support tenants in financial difficulty, what are your views on the proposed 4.1% core rent increase.**

Feedback

Members initially felt the 4.1% increase was too steep, taking into account the financial difficulties some tenants already found themselves facing. They felt tenants who did not receive Housing Benefit or Universal Credit would be particularly impacted upon. A discussion took place about the impact of a lower rent increase, for example, if a 3.1% increase was proposed instead then savings of £675k would need to be found to balance the budget. The Forum members were asked where they thought savings could be made from the budget proposals for 2022/23. The view was they did not really want to make any cuts to the budget. One member stated they felt cuts in budgets would impact upon services that could lead to a rise in crime rates on our estates. One member suggested consideration could be given to look at whether back office functions could be reduced rather than front line services. The Forum members stated they did not want to see reductions in the number of Housing Officers or Repair Operatives.

The Forum members asked for more time to consider the proposal and come up with suggestions if they felt these could be made within the current budget proposals. In response to this individual follow up telephone calls were made to Forum Members on Tuesday 21st December to see if they had any further comments they wanted to make on the proposals. 3 members were unavailable to give their feedback when officers called. All members stated they would like to have further time to consider the proposals and provide additional feedback early in the New Year.

- Member 1 stated the proposed rent increase was a bit high, but they understood the position the council is in and the restrictions placed on the council by the government. To facilitate a lower rent increase the Forum member stated savings could be made from the kitchens and bathroom replacement programme. It was stated these could be repaired rather than replaced, replacements were not seen as essential.
- Member 2 stated the increase is too high considering people's current circumstances and the other increases they are having to deal with. Having said

that, there's no services that they would like removed or reduced, they've already been reduced in recent years. Vacant properties could be brought back into use to bring that rent increase down. Even if the rent increase could come down to 4%, it could make a difference to people, but I will back 4.1% if no services are reduced.

- Member 3 stated they would like the rent increase to be lower and they would like this to be offset by higher increases in the garage rents as far as is possible.
- Member 4 was unable to attend the Tenants Forum meeting held on the 14th December 2021 but stated during their telephone call that they did not agree with the rent increase. The people that are working are paying for those who are not working. Money needs to be targeted in the right areas, then savings can be made and the most benefit got from the money that's available. The member stated if rents rise by 4.1% rent arrears will go up.

2. What are your views on the proposed charges for garage rents, service charges and hostel rents and service charges?

Feedback

Generally, the Forum members thought the proposals were acceptable. The main topic of discussion was around the proposed increase in garage rents. Some members felt there was scope to increase these charges further to an average rental charge of around £12 - £15 a week. One member felt the current proposal was reasonable, stating more tenants were renting garages to store mobility scooters and a further increase could impact upon these tenants.

Additional feedback from the follow up telephone calls was:

- Member 1 thought the proposals were fair and in fact a garage was a luxury, not a necessity.
- Member 2 thought the proposals were acceptable.
- Member 3 stated the garages rents should go up because a lot of people use them as a business, and they cost more elsewhere.
- Member 4 stated Council garages are no longer fit for modern cars. People are being charged for something that isn't fit for purpose.

3. Taking into account the national rise in energy costs and the fact households generally are facing 20% increases in their prices, what are your views on the proposed 7.29% increase in district heating charges?

Members appreciated that all households were facing an increase in their energy costs. One member raised concerns about the cumulative impact of the rising costs of living, for which this proposed increase will add to. Members were advised the average weekly increase resulting from the proposal would be around £1 per week for people on the district heating scheme. Members asked for a further breakdown of the costs per property type to enable them to comment further on the proposal.

Additional feedback from the follow up telephone calls was:

- Member 1 stated they thought the proposal was fair. It seems hard in the context of other increases in housing, but fair in the context of the national energy

increases. The Council shouldn't be expected to take the burden of that. The price has to go up, it's the nature of prices and inflation.

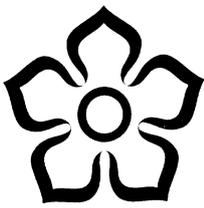
- Member 2 stated they thought the proposed increase was high. It was stated these tenants have electricity to pay as well for both, the increase is well above inflation. The problem is that many tenants also have a gas cooker, so they are paying this national increase as well. They are also using electricity in the home, so they face these national increases as well. It's a triple whammy for them.
- Member 3 stated the proposal was too high, considering the other increases that were taking place.
- Member 4 disagreed with the 20% increase being experienced for wider energy costs. It was stated this hasn't happened and can't be used to justify the 7.29% increase, which is too high.

4. What are your views on the proposed changes to the Capital Programme?

Two comments were made about the Capital Programme. The first was around the additional £900k for climate change work. One member stated they thought this seemed high. Information was provided on the potential work required to meet 2030 climate change targets, including the retrofitting of our properties, which could run into millions in future years. One member stated the money put aside for concrete works in St Matthews may not be enough and would depend on the findings of the survey work that is currently taking place. It was accepted that this might be the case and money may need to be allocated in future budgets for a programme of works.

Additional feedback from the follow up telephone calls was:

- Member 1 stated the changes proposed for the Capital Programme were essential and there was no problem with these.
- Member 2 had no further comments in relation to the proposals.
- Member 3 said the budget report stated the windows and doors programme had been completed but there were still a lot of old draughty doors in the area they lived. The member also stated there needed to be a review of how homes are allocated to the kitchen and bathroom replacement programme, taking into account that some kitchens can be repaired, where they still have operational life left in them.
- Member 4 queried where extension work had taken place to address overcrowding as they were not aware of this work taking place. A question was also asked where the kitchen and bathroom replacement programme money, that wasn't spent during lock down, went. Kitchens and bathrooms shouldn't be replaced in void properties when tenants already living in properties haven't had one.



Leicester
City Council

Appendix H

MINUTE EXTRACT

Minutes of the Meeting of the
HOUSING SCRUTINY COMMISSION

Held: MONDAY, 10 JANUARY 2022 at 5:30 pm

P R E S E N T :

Councillor Westley (Chair)
Councillor Chamund (Vice Chair)

Councillor Ali Councillor Aqbany
Councillor Byrne Councillor Gee
Councillor Rahman

In Attendance:

Councillor Cutkelvin – Assistant City Mayor (Housing and Education)

* * * * *

58. APOLOGIES FOR ABSENCE

There were no apologies for absence.

59. 59. DECLARATIONS OF INTEREST

The Chair declared an interest as members of his family lived in Council accommodation.

The Vice-Chair declared an interest as a member of her family lived in Council accommodation.

Councillor Aqbany declared an interest as members of his family lived in Council accommodation.

Councillor Byrne declared an interest as she lived in Council accommodation.

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. The Members were not, therefore, required to withdraw from the meeting.

66. HOUSING REVENUE ACCOUNT BUDGET (INCLUDING CAPITAL PROGRAMME)

The Director of Housing submitted a report, which described the City Mayor's draft Housing budget for 2022/23, prior to consideration at Full Council on the 23 February 2022.

It was reported that the financial landscape of the four-year period from 2016 to 2020 had been dominated by the Government requirement that rents be reduced by 1% each year. Despite this pressure, the HRA delivered balanced budgets.

It was noted that for the 5 years from 2020 rents were permitted to increase by up to CPI+1% and whilst that relaxation would help to sustain a financially viable HRA and support investment in the housing stock, the continuing impact of Right to Buy (RTB) sales on rental income persisted.

The Chair commented on the Government's policy and referred to the increased pressure on tenants, including rising cost of living expenses, fuel prices and inflation, leading to increased poverty.

The Assistant City Mayor (Housing and Education) was invited to comment.

Councillor Cutkelvin referred to the difficult outcome and reluctance to propose a 4.1% rent increase and stated that this had been the third year that such difficult and challenging decisions had been necessary, due to Government policy. In terms of consultation with the Tenants and Leaseholders Forum it was confirmed that although not in favour of the proposed core rent increase, there had been no suggestions or proposals of reduced services to allow for a reduced rent increase. This situation was acknowledged by Commission members and would be explained further in the pending presentation to be given by the Director of Housing.

The Director of Housing then gave a presentation, which identified a proposed core rent increase of 4.1% and confirmed previous increases in 2020/21 of 2.7% and in 2021/22 of 1.5%. It was noted that this was an average rent increase of £3 per week. In this regard the Director of Housing pointed out that 50% of tenants were on full Housing Benefit / Universal Credit (HB / UC), and 20% of tenants were on partial HB / UC.

The ongoing significant provision offered to ensure tenancy sustainment support through the Income Management Team, Rent Management Advisors, Housing Officers, welfare visits and ASB, STAR and Discretionary Housing Payments were welcomed and noted.

The tenure comparison with the average rents nationally and with other East Midlands Authorities were presented and it was noted that Leicester's position remained favourable as one of the most inexpensive authorities.

In terms of the equivalents and reduction in the proposal to 3.1% were described and it was noted that this would result in a loss of £675k to the HRA each year, with a total loss of £22m in 30 years.

It was reported and noted that the impact could be:

- 85 fewer new roofs each year, or
- 125 fewer kitchens and bathrooms each year, or
- 250 fewer boilers per year, or
- 17 less repairs operatives, or
- 15.5 less Housing Officers

The impact on garages, service charges and hostel rents and the district heating charges were also reported, it being noted that over 2,400 tenants and 800 leaseholders were on the district heating scheme. A considerable increase in energy wholesale prices nationally with a 20% increase in energy bills, due to advanced purchasing proposed 7.29% increase for district heating charges was proposed, with an average increase of £1 per week to tenant's bills.

In terms of the proposed changes to the Capital Programme the budgets concerning kitchen and bathroom replacements, boiler replacements and window and door replacements were noted.

Further projects concerning door entry system upgrades (to be suspended) district heating maintenance and communal and environmental works were described and accepted. In respect of future works and projects into 2022/23, details were provided of adaptations for incoming tenants, fire risk work, property conversions and extensions, affordable Housing Programme, and the Dawn Centre reconfiguration.

As reported previously by the Assistant City Mayor (Housing and Education), the Tenants Forum feedback had suggested that the proposed rent increase of 4.1% was too high, although support was given the proposed Garage (4.1%) and service charges (2%) increases. To mitigate a lower rent increase, it had been suggested that garage rents could be increased.

The Director of Housing provided details on the minor impact this would have, given the number of garages in the Council's ownership, compared to the much greater housing stock.

In concluding the presentation, it was confirmed that the report would be submitted to Overview Select Committee on 10 February 2022, prior to Full Council on 23 February 2022.

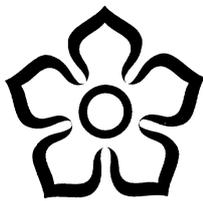
Councillor Byrne left the meeting at 6.20 pm and indicated her support to the recommendations to increase the rent and service charges.

Councillor Ali left the meeting at 6.48 pm and indicated her support to the recommendations to increase the rent and service charges.

AGREED:

To support the recommendation to Full Council 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' and Leaseholders' Forum at Appendix G, the Housing Scrutiny Commission at Appendix H, and the Overview Select Committee at Appendix I;
- III. Approve the Housing Revenue and Capital budgets for 2022/23;
- IV. Approve rent and service charge changes for 2022/23 as follows:
 - 4.1% increase to core rent;
 - 4.1% increase to garage rent;
 - 2.5% increase to Hostel rent and service charges;
 - 7.29% increase in District Heating charges;
 - 2.0% increase to all other service charges;
- V. Note the equality impact assessment of the proposed revenue and capital reductions required to present a balanced budget, at Appendix J;
- VI. Note that the scheme of virement (included within the General Fund Revenue Budget report which is also on your agenda) applies also to the HRA budget with total expenditure and total income acting as budget ceilings for this purpose;
- VII. Note that the capital strategy in that report applies also to the HRA;
Agree that the delegations and determinations applicable to the main capital programme (which is also on your agenda) shall also apply to the capital programme in this report.



Leicester
City Council

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Appendix I

Minutes of the Meeting of the
OVERVIEW SELECT COMMITTEE

Held: THURSDAY, 10 FEBRUARY 2022 at 5:30 pm

P R E S E N T:

Councillor Cassidy (Chair)

Councillor Gee
Councillor Halford
Councillor Joel

Councillor Joshi
Councillor Kitterick
Councillor Porter

Councillor Thalukdar
Councillor Westley

In Attendance

Sir Peter Soulsby
Councillor Piara Singh Clair
Councillor Elly Cutkelvin

City Mayor
Deputy City Mayor
Assistant City Mayor

* * * * *

72. APOLOGIES FOR ABSENCE

There were no apologies for absence.

73. DECLARATIONS OF INTEREST

Members were asked to disclose any pecuniary or other interests they may have in the business on the agenda.

Councillor Westley declared an interest in agenda items to be discussed that family members were council tenants.

Councillor Halford declared an interest in agenda items to be discussed that family members were council tenants.

Councillor Joshi declared an interest in the agenda items to be discussed that his wife worked for the Reablement Team, Leicester City Council.

Councillor Thalukdar declared an interest in agenda items to be discussed that a family member was a council tenant.

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. The Members were not, therefore, required to withdraw from the meeting.

81. HOUSING REVENUE ACCOUNT (INCLUDING CAPITAL PROGRAMME) 2022/23

The Director of Housing submitted a report which set out the proposed Housing Revenue Account (HRA) budget (including Capital Programme) for 2022/23, which would be considered by Council on 23 February 2022. An extract from the meeting of the Housing Scrutiny Commission on 10 January 2022 was also considered.

The Overview Select Committee was recommended to make any comments on the report, in particular the proposal for delivering a balanced budget and the proposed rent increase.

The Director of Housing delivered a presentation (attached for information) which picked out highlights from the report and additional pertinent information:

- The Housing Revenue Account Budget was made up of income from council tenant rents and service charges. The money was used to provide the repairs service, fund the work of the Income Management Team, the Housing Officers and the STAR service. It was also used to invest in stock through the Capital Programme and to make improvements to the environment of the Council's estates.
- The investment made into properties, and that planned for the future, ensured all council homes were of high quality, compared with other tenure types in the city, and the wide range of services provided demonstrated the Council was one of the best landlords in the city.
- The HRA had faced financial challenges, with reducing income levels over time. It was reported that since 1981 the Council had lost in the region of 17,000 properties through Right to Buy (RtB). If those properties were still held in the Housing Revenue Account, then there would be an additional £63m of income each year.
- Additional financial pressures were felt between 2016 and 2020 by the government requirement that rents be reduced by 1% each year. Whilst tenants benefited from a reduction in their weekly rent during this period it led to an overall loss of income to the Housing Revenue Account of £3.1m per year.
- The continuing financial pressures, such as a rise in employee costs, were taken into account when drawing up proposals for the HRA budget for 2022/23, and difficult decisions had been made to ensure there was money to continue to provide services that were a priority for tenants.

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- The Council would do everything it could to protect tenants and had therefore chosen not to charge rents which exceeded Local Housing Allowance rates and meant that tenants would never be charged more than the benefits they received for housing, for those on full Housing Benefit or those who had all their housing costs covered by Universal Credit (UC).
- There was a proposed 4.1% increase in core rents, with on average tenants paying just over £3 more rent a week. It was known that about 50% of tenants were on full housing benefit or had their full housing costs covered by UC. For these households the increased rent would be covered by their benefit entitlement in full.
- The Council had a long history of providing support to tenants who faced financial difficulties, much more than was in place for people in other tenure types. Support would continue, particularly for those who were adversely impacted upon by the proposed rent increase. The HRA funded the Income Management Team which was there to support tenants in financial difficulties. Housing Officers also carried out welfare visits to vulnerable council tenants, and the STAR service provided support to tenants with more complex needs, where financial difficulties may be just one issue that required support. Those services brought in over £2m additional income for tenants.
- Slides provided comparison of average rents for council tenure and the private sector in Leicester, comparator authorities, and other East Midland authorities, and showed Leicester City was amongst the lowest rents.
- Whilst garage rents were set separately to dwelling rents it was proposed to increase those in line with the core rental increase at 4.1%.
- Service charges should be set with the intention of recovering the full cost of providing the service. Currently, tenants and leaseholders were benefitting from charges which were set below the cost of delivery, and it was proposed to increase service charges by 2% with the impact on tenants and leaseholders being dependent on what additional services and improvements they had received in their home. Also, the majority of service charges were covered by Housing Benefit and UC, for those that received the full entitlement.
- Hostel rents and service charges were calculated to ensure that expenditure was fully re-couped. Costs for the service were expected to increase by 2.5% in 2022/23 so an equivalent increase in rents and service charges was proposed.
- For District heating the proposed increase was 7.29% to cover massive increases in wholesale energy prices, which was on average £1 more per week.
- Feedback from tenant representatives was contained in Appendix G of the report. They were supportive of the proposed rent increases for garage rents and service charges and thought that garage rents could possibly be increased more than was proposed. They also thought overall the proposed increase in the district heating charge was fair.
- Some tenant representatives did have some concerns over the level of the proposed core rent increase and would prefer to see a lower rent increase. However, it was made very clear by the tenant representatives that they absolutely did not wish to see any cuts in the Housing services provided or investment being made to Council housing and the estates.

- In terms of the next steps the final decision on the Housing Revenue Account budget for 2022 / 23 would be made at the Full Council meeting on the 23 February 2022.

Councillor Westley, Chair of Housing Scrutiny Commission (SC), reported the HRA had been considered at the last Commission meeting on 10 January and had fully supported the proposals. He stated the HRA was a huge single figure in the council's budget and for that reason alone needed to be considered carefully.

It was reported that during consultations on the budget a question had been asked 'Your suggested rent increase would cut more than £750,000 from the budget. What would you cut?' It was noted that no cuts in budget were suggested, but there were plenty of ideas for increased spending, for example, on safety and security, environmental works, increased staffing, and further house building. He believed the responses from tenants and leaseholders indicated no-one felt there was waste or inefficiency within the budget and echoed the sentiment, which was supported by further information from within and outside the city.

The Chair of Housing SC also noted the Council's rents were cheaper by a significant amount than housing association rents within the city, and a lot cheaper than private sector rents, and cheaper than the vast majority of similar authorities around the country. He added that being cheap was not by itself an advantage or a virtue, as the Council had to deliver effective services and programmes for the thousands of families who lived in our rented homes across the city.

It was reported that some of the most vulnerable people on the lowest incomes were council tenants and would find they were being affected by cuts in UC and other benefits. The Chair of SC stressed that moving forward to support the many that were living on the breadline, he wanted to see a hardship fund created, that would incrementally rise year on year as need arose, for example, those not on UC and working, but were still on the breadline through the rise in the cost of living and heating bills.

The Chair of Housing SC continued that the HRA supported teams which helped those vulnerable people directly, and the proof was in how few evictions had been imposed, but where there were evictions, they had overwhelmingly been caused by antisocial behaviour issues or refusal to make contact with officers trying to help them. He added that the Housing department worked with, not against, council tenants, helped create and support communities across the city, and helped to create and sustain jobs.

The Chair of Housing SC reported that the points made were the views set out at the Housing SC meeting, and he was pleased to report that Members had unanimously supported the HRA budget proposals and that he hoped the Overview Select Committee reinforced the view. He additionally paid tribute to

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the Council's enforcement team who work tirelessly to keep people in their homes with food on the table.

Councillor Porter commented that with regards to waste and inefficiency, the number of void properties being left empty had lost the Council in excess of £1million in rent. He added that with the 4.1% increase in rent, 50% of people would be impacted in the midst of a cost-of-living crisis, with increased fuel bills, Council Tax increases, and people were having to make some very difficult decisions.

Councillor Porter made further reference to the call-in of an executive decision (Acquisition of Property Portfolio for Affordable Housing) at the meeting of the OSC on 16th December 2021, and to page 50, Appendix D to the report, whereby it cost on average £96.69 for a bedsit in the private sector and £57.64 for a council bedsit which was 40% lower than the private sector. He noted it cost £97.51 to rent a four-bedroom council property and that the council would be better spending money on building new property rather than purchasing bedsits, to provide housing for families.

Councillor Gee, responded that as a Member of the Housing SC, it had been discussed that 50% of tenants would be on full UC, with 20% on partial housing benefit who would pay slightly more in rent, and the remainder did not receive benefits. He added council tenants wanted to be kept to good standard and upgraded, but unfortunately they could see nothing in the budget that could be cut. He added that there were property voids and loss of income during the pandemic but had been unavoidable as subcontractors had been furloughed, but voids were almost back to normal levels. The Director of Housing confirmed it had been challenging and at one point, only one worker at a time had been allowed into properties, but contractors were now being utilised as capacity increased in order to bring more voids into use. It was noted the rental loss would show slightly higher this year, but the mitigating reasons behind it were understood by many people.

The Director of Housing responded that with regards to the 50% of people of tenants that would be affected by the rent increase, 20% would get a proportion of the increase covered. He added that the 30% of the tenancies not on benefits and who might struggle with the increase of £3 per week would receive support from a number of teams. He added that, whilst it was not a pleasant increase, he was reassured the Council had those teams to work closely with people who might struggle during the current economic climate to enable them to manage. He noted the Income Management Team had done a very good job over the years to support people economically, and nobody had been evicted during the last year, and there had only been seven incidents of evictions due to rent arrears, which was put down to non-engagement with officers and support offered to them. It was explained that as soon as someone went into arrears, assistance was offered to help them manage their finances, for example, to spread out arrears, to help them apply for the discretionary rent relief fund and council tax discretionary relief scheme, the Income Management Team had brought in over £500k in additional income for people, to help people

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cope with challenges. It was also reported the STAR team had brought in over £1m to assist people struggling.

The Director referred to the purchase of units discussed at the previous meeting, which would generate an additional £1.4m income into the HRA back into the account. He had also stated that whilst there was a need for family homes, there was also a need for bedsits and one-bedroom flats to support the 'Everyone In' initiative.

The Chair stated there had been good debate and welcomed the views of the Housing SC because it was very clear that Members had looked at the budget thoroughly.

He proposed that the recommendations in the report be endorsed for Full Council. Members agreed with the proposal. Councillor Porter asked that his decision against the proposed recommendations be noted.

AGREED:

1. That the report be noted.
2. The recommendations be endorsed for Full Council.

Equality Impact Assessment (EIA)

Equality Impact Assessment (EIA) Tool:

| | |
|--|---|
| Title of proposal | Housing Revenue Account Budget (including Capital Programme) 2022/23 |
| Name of division/service | Housing |
| Name of lead officer completing this assessment | Helen McGarry |
| Date EIA assessment completed | |
| Decision maker | Full Council |
| Date decision taken | 23 rd February 2022 |

| 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 and based in evidence.
- 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.
- d) That the equality impact assessment is started at an early stage in the decision-making process, so that it can be used to inform the consultation, engagement and the decision. It should not be a tick-box exercise. Equality impact assessment is an iterative process that should be revisited throughout the decision-making process. It can be used to assess several different options.
- e) Decision makers must be aware of their duty to pay 'due regard' to the Public Sector Equality Duty (see below) and 'due regard' must be paid before and at the time a decision is taken. Please see the Brown Principles on the equality intranet pages, for information on how to undertake a lawful decision-making process, from an equalities perspective. Please append the draft EIA and the final EIA to papers for decision makers (including leadership team meetings, lead member briefings, scrutiny meetings and executive meetings) and draw out the key points for their consideration. The Equalities Team provide equalities comments on reports.

1. Setting the context

Describe the proposal, the reasons it is being made, and the intended change or outcome. Will the needs of those who are currently using the service continue to be met?

The financial landscape of the four-year period from 2016 to 2020 was dominated by the government requirement that social housing rents be reduced by 1% each year, which reduced income to the Housing Revenue Account by £3.1m per annum. 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 on the

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Housing Revenue Account Budget persist. These include the impact of increasing Right to Buy sales, where it is predicted further £1.2m rental income will be lost during 2022/23; inflation and staff cost pressures which amount to an increase of nearly £1m for 2022/23; a predicted 20% (£0.5m) increase in energy costs and increased £0.8m Council Tax liability for properties we have purchased on the open market, whilst they are being prepared for re-letting. To address the deficit that this creates it is proposed additional income / savings can be delivered in several areas including, increasing rent and service charges (£2.9m) and additional rental include from new build and acquired properties (£2.1m.) The Housing Revenue Account budget report recommends that the budget for 2022/23 is set as a balanced budget, with no drawing on reserves to achieve this.

The Housing Revenue Account Budget report is proposing a 4.1% increase to the core rents of Council homes. As well as this rent increase for 2022/23 the report is recommending:

- Increasing service charges by 2%
- Increasing garage rents by 4.1%
- Increasing Hostel rent and service charges by 2.5%
- Increasing District Heating charges by 7.29%

The cost of the Capital Programme for 2022/23 is predicted to be £117.46m. The following projects are those where it is proposed that changes will be made to the allocation of funding through this Programme:

- Contractor availability is expected to be restricted into 2022/23 with no more than £3m expected to be spent on new kitchens and bathrooms, a reduction on the £3.6m current annual budget. This will enable 825 kitchens and bathrooms to be installed.
- Most of the non-standard boilers have now been replaced, meaning that boilers are lasting longer and being repaired more easily. This results in a reduction in the capital budget requirement from £3.4m to £2.8m in 2022/23, sufficient for a further 900 new boilers.
- The upgrading of door entry systems has been suspended pending a review of more efficient cloud-based solutions. A budget for this in 2022/23 will therefore not be required.
- District Heating Maintenance work is progressing well, such that this budget can be reduced by £75k in 2022/23.

- Additional budget was added into the capital programme for 2021/22 to adapt properties and make them suitable for people on the Council housing waiting list. This work will now take place in 2202/23.
- The slipped budget for fire safety work from 2021/22 will be sufficient for 2022/23, with no additional budget requirement.
- A further £250k will be required in 2022/23 to continue the work on extending/converting properties to address overcrowding.
- An additional £100m will be added to the Affordable Housing – Acquisitions & New Build programme.
- £450k has been allocated to re-furbish the Dawn Centre.
- £900k is included in the budget to support the decarbonisation agenda.
- Provision in the budget has been made for concrete work in St Matthews to start in 2022/23. The cost of this will be established when survey work, currently taking place, has been completed.

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.

a. 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?
- Is this a relevant consideration? What issues could arise?

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

b. Advance equality of opportunity between different groups

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

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

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.

c. 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?
- Is this a relevant consideration? What issues could arise?

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 people who currently use the service and those who could benefit from, but do not currently access the service.

The proposal to increase rents will affect all Leicester City Council tenants across the city. As at November 2021 approximately 50% of our tenants were in receipt of full Housing Benefit or had their full housing costs paid through Universal Credit. These tenants will have their housing costs covered by any uplift in benefit entitlement associated with the rent rise. The negative impact of having to pay more rent could affect approximately 20% of tenants who are in receipt of partial Housing Benefit or have their housing costs partially covered by Universal Credit. A negative impact will also affect approximately 30% of our tenants who pay full rent. However, the impact of the rent increase will be dependent on the tenants' financial situation rather than any protected characteristic.

Service charges are added to rent when additional services are provided, for example, cleaning to communal areas. All tenants who pay these charges will need to pay 2% more each week for these. The charge will depend on what service is being provided. Services provided are linked to the property and are therefore not based on a persons' protected characteristic. Tenants in receipt

of full housing benefit and full Universal Credit will continue to have the majority of service charges payable covered by their benefit entitlement. The negative impact of having to pay more for service charges will affect approximately 30% of tenants who do not receive Housing Benefit or Universal Credit and the 20% of tenants who are in receipt of partial benefits. The impact of the service charge increase will, in general, be dependent on tenants' financial situation 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 the 7.29% proposed increase. There are currently 3,351 households in the city on the district heating scheme, 2,514 tenants and 838 leaseholders. A high number of properties that are provided with district heating are located within the Centre area of the city. 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. Whilst the proposed 7.29% increase for District Heating charges is significant, the increase is somewhat lower than that being experienced in the market more generally.

The impact of the proposed 2.5% increase in Hostel Rents and service charges will impact upon single people and couples staying at the Dawn Centre and families staying at Bridlespur Way, and those people who will use these facilities in the future. Our records show the majority of people accommodated in temporary accommodation receive Housing Benefit or Universal Credit and therefore these additional charges will be covered by these benefits. The impact of having to pay more will be for those people who do not receive Housing Benefit or Universal Credit. However, we know there are low numbers of people in this situation using the service. 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 approximately 600 garages rented out, so the proposed 4.1% increase in rent could impact upon these people, also other people who start to rent garages in the future. 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.

- Although contractor availability is expected to be restricted into 2022/23 £3m is expected to be spent on new kitchens and bathrooms. All tenants effected will benefit from this work, not just those with a protected characteristic.
- The reduction in the budget for boilers will still enable 900 new boilers to be fitted, where these are required. All tenants affected will benefit from this work, not just those with a protected characteristic.
- Although the upgrading of door entry systems has been suspended whilst more modern systems are investigated, repairs to current systems will continue, where this is required. This work is dependant on the buildings which have a door entry system and not as a result of tenants protected characteristics.
- A budget of £75k is proposed to continue with District Heating Maintenance work. This will benefit tenants and leaseholders who have this source of energy and not as a result of a protected characteristic. A high number of properties that are provided with district heating are located within the Centre area of the city. We know a higher proportion of BME households live in this area, so the ongoing maintenance will particularly benefit this group.
- The budget to adapt properties and make them suitable for people on the Council housing waiting list is will have a positive impact on people with a disability protected characteristic, as the length of time they have to wait to be offered a suitable property to meet their needs could be reduced.
- The HRA budget report states the slipped budget for fire safety work from 2021/22 will be sufficient for 2022/23, with no additional budget requirement. The work required is identified through risk assessments and inspections of our properties and communal areas, not as a result a person's protected characteristic. Work undertaken will address safety concerns of all living in an area where the work takes place.
- The additional £250k to continue the work on extending/converting properties to address overcrowding will address the individual overcrowding situation 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.
- The additional £100m to be added to the Affordable Housing – Acquisitions & New Build programme will benefit all households on the Housing Register, with an additional supply of affordable Housing, irrespective of their protected characteristic. The positive impact is the time it takes for them to be re-housed could be reduced.

- The £450k allocated for the refurbishment of the Dawn Centre will benefit single people and couples who need temporary accommodation. Additional bed space at this accommodation will support the reduction of rough sleeping for these groups.
- The £900k being made available to support the decarbonisation agenda and the work associated with this will depend on the condition of our properties and will not be related to the protected characteristics of the households that live in these.
- The budget provision for concrete work in St Matthews will be based on a property conditions survey and not the protected characteristic of tenants and leaseholders. However, we know there are a high percentage of BME groups living in this area of the city, who will benefit from this improvement work.

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, equality monitoring 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.

5. Consultation

What **consultation** have you undertaken about the proposal with people who use the service or people affected, people who may potentially use the service and other stakeholders? What did they say about:

- What is important to them regarding the current service?

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- 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?

See Appendix G to the main report

6. Potential Equality Impact

Based on your understanding of the service area, any specific evidence you may have on people who use the service and those who could potentially use the service 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. This could include indirect impacts, as well as direct 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 groups that may be affected, along with the 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 characteristics

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? This may also include **positive impacts** which support the aims of the Public Sector Equality Duty to advance equality of opportunity and foster good relations.

Risk of disproportionate negative impact:

How likely is it that people with this protected characteristic will be disproportionately negatively affected? How great will that impact be on their well-being? What will determine who will be negatively affected?

Mitigating actions:

For disproportionate negative impacts on protected characteristic/s, what mitigating actions can be taken to reduce or remove the impact? You may also wish to include actions which support the positive aims of the Public Sector Equality Duty to advance

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equality of opportunity and to foster good relations. All actions identified here should also be included in the action plan at the end of this EIA.

a. Age

Indicate which age group/s is/ are most affected, either specify general age group - children, young people working age people or older people or specific age bands

What is the impact of the proposal on age?

No potential impact

What is the risk of disproportionate negative impact on age?

No group will be disproportionately impacted upon by this proposal

What are the mitigating actions?

Not applicable

b. 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.

What is the impact of the proposal on disability?

People with a disability who are waiting for re-housing on the Housing Register may be offered accommodation to meet their needs sooner

What is the risk of disproportionate negative impact on disability?

No group will be disproportionately impacted upon by this proposal

What are the mitigating actions?

Not applicable

c. Gender reassignment

Indicate whether the proposal has potential impact on trans men or trans women, and if so, which group is affected.

What is the impact of the proposal on gender reassignment?

No potential impact

What is the risk of disproportionate negative impact on gender reassignment?

No group will be disproportionately impacted upon by the proposal

What are the mitigating actions?

Not applicable

d. Marriage and civil partnership

What is the impact of the proposal on marriage and civil partnership?

No potential impact

What is the risk of disproportionate negative impact on marriage and civil partnership?

No group will be disproportionately impacted upon by this proposal

What are the mitigating actions?

Not applicable

e. Pregnancy and maternity

What is the impact of the proposal on pregnancy and maternity?

No potential impact

What is the risk of disproportionate negative impact on pregnancy and maternity?

No group will be disproportionately impacted upon by this proposal

What are the mitigating actions?

Not applicable

f. 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.

What is the impact of the proposal on race?

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. However, these increases are not as severe as elsewhere in the open market.

Tenants from a BME background in the Centre area of the City will benefit from concrete improvement work in the area

What is the risk of disproportionate negative impact on race?

No groups will be disproportionately impacted upon by this proposal

What are the mitigating actions?

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.

g. 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.

What is the impact of the proposal on religion or belief?

No potential impact

What is the risk of disproportionate negative impact on religion or belief?

No group will be disproportionately impacted upon by this proposal

What are the mitigating actions?

Not applicable

h. Sex

Indicate whether this has potential impact on either males or females

What is the impact of the proposal on sex?

No potential impact

What is the risk of disproportionate negative impact on sex?

No group will be disproportionately impacted upon by this proposal

What are the mitigating actions?

Not applicable

i. Sexual orientation

What is the impact of the proposal on sexual orientation?

No potential impact

What is the risk of disproportionate negative impact on sexual orientation?

No group will be disproportionately impacted upon by this proposal

What are the mitigating actions?

Not applicable

7. Summary of protected characteristics

a. 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.

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

Not applicable

8. Other groups

Other groups

Impact of proposal:

Describe the likely impact of the proposal on children in poverty or any other people who we may consider to be vulnerable, for example people who misuse substances, ex armed forces, people living in poverty, care experienced young people, carers. 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?

Risk of disproportionate 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. You may also wish to use this section to identify opportunities for positive impacts.

a. Children in poverty

What is the impact of the proposal on children in poverty?

Children living in over-crowded conditions may benefit from the proposals to convert properties to address this issue. Also, adaptations to properties to enable the re-housing of households from the housing register may benefit children with disabilities.

What is the risk of negative impact on children in poverty?

No group will be disproportionately impacted upon by this proposal

What are the mitigating actions?

Not applicable

b. Other vulnerable groups

What is the impact of the proposal on other vulnerable groups?

No potential impacts

What is the risk of negative impact on other vulnerable groups?

Not applicable

What are the mitigating actions?

Not applicable

c. Other (describe)

What is the impact of the proposal on any other groups?

No potential impact

What is the risk of negative impact on any other groups?

Not applicable

What are the mitigating actions?

Not applicable

9. 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.

No known impacts at present

Human rights implications

Are there any human rights implications which need to be considered and addressed (please see the list at the end of the template), if so please outline the implications and how they will be addressed below:

No known impacts at present

10. 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.

If you want to undertake equality monitoring, please refer to our [equality monitoring guidance and templates](#).

- 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.

11. 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 | 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. | Income Collection Manager | 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

Tenant Profiling Information

Ethnicity

| Ethnicity | No. of Tenants |
|---|-----------------------|
| Any Other Ethnic Group | 374 |
| Any other Heritage Background | 110 |
| Asian/Asian Brit of Other Asian Background | 562 |
| Asian/Asian British of Bangladeshi Origin | 191 |
| Asian/Asian British of Indian Origin | 1,365 |
| Asian/Asian British of Pakistani Origin | 220 |
| Black/Black British of African Origin | 1,361 |
| Black/Black British of Caribbean Origin | 348 |
| Black/Black British of Other Black Background | 190 |
| Black/Black British of Somali Orig | 351 |
| Chinese of Chinese Origin | 20 |
| Chinese of other Chinese Background | 8 |
| Dual/MH Asian & White | 60 |
| Dual/MH Black African & White | 53 |
| Dual/MH Black Caribbean & White | 222 |
| Ethnicity Unknown | 3,182 |
| Other Eth Group Gypsy/Romany/Irish Traveller | 25 |
| Prefer Not to Say | 526 |
| White British | 9,248 |
| White of European Origin | 386 |
| White of Irish Origin | 131 |

White of Other White Background 440

Age

| Age | No. of tenants |
|------------|----------------|
| Not known | 510 |
| Ages 16-64 | 14,494 |
| Ages 65-74 | 2,734 |
| Ages 75+ | 2,079 |

Gender

| Gender | No. of tenants |
|-----------|----------------|
| Female | 11,027 |
| Male | 8,337 |
| Not known | 4533 |

Religion

| Religion | No. of tenants |
|-------------------|----------------|
| Atheist | 274 |
| Buddhist | 17 |
| Christian | 2,232 |
| Hindu | 352 |
| Jain | 2 |
| Jewish | 4 |
| Muslim | 1,818 |
| No religion | 2,350 |
| Not known | 11,495 |
| Other | 308 |
| Prefer not to say | 881 |
| Sikh | 84 |