



# **Housing Revenue Account Budget (including Capital Programme) 2025/26**

**Lead Member Briefing: 18<sup>th</sup> November 2024**

**City Mayor Briefing: 28<sup>th</sup> November 2024**

**Lead Member Briefing: 16<sup>th</sup> / 23<sup>rd</sup> December 2024**

**Housing Scrutiny Commission: 7<sup>th</sup> January 2025**

**Overview Select Committee: 30<sup>th</sup> January 2025**

**Full Council: 19th February 2025**

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*Assistant Mayor for Housing & Neighbourhoods: Cllr. Elly Cutkelvin*

Lead director: Chris Burgin

## Useful information

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

### 1. Purpose

- 1.1 The purpose of this report is for Full Council to consider and approve the City Mayor's proposed Housing Revenue Account (HRA) budget for 2025/26.

### 2. Summary

- 2.1 Throughout the changing financial landscape since self-financing was introduced in 2012, the HRA has consistently delivered balanced budgets. This report proposes a balanced budget against a difficult financial backdrop for local authorities, with additional pressure arising from housing regulation changes, and the erosion of income from the continuing loss of stock through Right to Buy (RTB).
- 2.2 The maximum rent increase that can be applied for HRA tenants in 2025/26 is 2.7%, this being CPI+1% as at September 2024. This report details the continued inflationary pressures being faced by the service and, therefore, proposes a core rent increase in line with the maximum rate permitted. Applying a rent increase below 2.7% would lead to a budget shortfall, and further work would be required to bridge this gap; if, for example, a 1.5% increase was to be applied then this would lead to a £1.1m shortfall in the budget.
- 2.3 The proposals within this report are for the charges to tenants and leaseholders (homeowners) for services they receive to be representative of the underlying cost of the service being provided. The installation of heat meters for those tenants and homeowners connected to the District Heating network has enabled people to pay the direct cost of what they consume; this report seeks approval of the unit rate per kWh charge, along with the standing charge. For those tenants without heat meters there is the continued need to apply a fixed charge which is not directly linked to usage.
- 2.4 Continued investment has taken place to replace properties lost through RTB, through an expanding programme of 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. There is a comprehensive capital maintenance programme in place to ensure that homes are properly maintained, and this is supplemented with investment into the wider estate. The proposals in this report support the continuation of this approach.
- 2.5 Consultation on the proposals within this report will have taken place with the tenants and leaseholders, the Housing Scrutiny Commission, and the Overview Select Committee.

### 3. Recommendations

#### 3.1 Full Council is recommended to:

- i) Note the comments from the tenants and leaseholders at Appendix G, the Housing Scrutiny Commission at Appendix H, and the Overview Select Commission at Appendix I;
- ii) Approve the Housing Revenue budget;
- iii) Approve a Capital budget for 2025/26 of £40.96m including £10.96m investment in Council Housing stock;
- iv) Approve rent changes for tenants for 2025/26 as follows:
  - 2.7% increase to core rent;
  - 2.7% increase to garage rent.
  - 2.7% increase for Hostel rent and service charges;
  - 4% increase for Gypsy and Traveller plot rent;
- v) Approve service charge changes for tenants and leaseholders for 2025/26 as follows:
  - A reduction in the charges for District Heating as set out in section 4.6.3, including a 25% reduction in the variable charge for metered heat and a 26% reduction in the fixed metered charges;
  - reducing the charge for waylighting by 9.1%;
  - applying increases to all other service charges of 1.7%, in line with CPI.
- vi) Agree to delegate to the City Mayor the authority to vary service charges by the extent to which this represents a change to the cost of providing those services.
- vii) Note the equality impact assessment of the proposed revenue and capital reductions required to present a balanced budget, at Appendix J;
- viii) 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;
- ix) For those schemes designated immediate starts, delegate authority to the lead director to commit expenditure, subject to the normal requirements of contract procedure rules, rules concerning land acquisition and finance procedure rules;
- x) For the purposes of finance procedure rules determine that service resources shall consist of service revenue contributions; HRA revenue contributions; and government grants/third party contributions ringfenced for specific purposes;
- xi) As in previous years, delegate to the City Mayor:
  - Authority to increase any scheme in the programme, or add a new scheme to the programme, subject to a maximum of £10m corporate resources in each instance;
  - Authority to reduce or delete any capital scheme, subject to a maximum reduction of 20% of scheme value for “immediate starts”; and
  - Authority to transfer any “policy provision” to the “immediate starts” category.
- xii) Delegate to directors, in consultation with the relevant deputy/assistant mayor, authority to incur expenditure up to a maximum of £250k per scheme in respect of policy provisions on design and other professional fees and preparatory studies, but not any other type of expenditure;
- xiii) Note that the capital strategy in the Capital Budget report applies also to the HRA.

## 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 £271m. The HRA budget is set by modelling expected levels of income and expenditure.
- 4.3 This report identifies the pressures facing the HRA in 2025/26 (most of which are unavoidable) followed by measures which would be required to set a balanced budget. These include proposals for increases to rent and service charges and savings from efficiency measures.

### 4.4 Revenue Cost Pressures

- 4.4.1 In recent years the primary external pressure on the HRA has been a loss of income from Right to Buy sales. Whilst this is expected to continue along with some inflationary pressures, regulatory changes also feature as a key challenge. Table 1, below, summarises the known pressures and budget growth requirements within the HRA:

<b>Table 1: Revenue Cost Pressures</b>	<b>2025/26 £000</b>
Right to Buy Sales	1,339
Pay Inflation	1,181
Regulatory costs	781
Staffing growth	607
Running Cost Inflation	577
EICRs	500
Other Pressures	400
<b>Total Cost Pressures</b>	<b>5,385</b>

#### 4.4.2 Right to Buy

Sales of properties through Right to Buy can currently give discounts to tenants of up to 70% of the property value, with the maximum discount in Leicester currently at £102,400 (compared with £24,000 10 years ago). The Chancellor, in her October 2024 budget, announced prospective changes to the scheme which would restrict eligibility and reduce the levels of discount. In anticipation of this, there has been an increase in the number of tenants applying to exercise their right to buy. As a result, an increase in sales is predicted, leading to a consequential loss of income of £1.3m. Whilst a reduction in dwelling stock should lead to reductions in associated expenditure on managing and repairing those properties, the economies of scale that come from managing a large portfolio are gradually being eroded. Longer term, changes to RTB eligibility and discount levels should help lead to a more financially sustainable HRA.

#### 4.4.3 Pay Inflation

An assumed pay award for 2025/26 of 2.5% has been built into this budget resulting in an increase in pay costs of £0.5m. There are also adjustments relating to the changes to the employer's national insurance thresholds announced in the Chancellor's October 2024 budget, which increases the pressure by £0.7m.

#### 4.4.4 Regulatory costs

There has been an amendment to Housing Regulations which will take effect in 2025/26. A main component of this is an update to the measures required for both tenancy and district management, with significant staffing resources to fulfil this requirement. £0.7m has been allocated to fund 10 new staff members to manage the increased workload, enhance tenancy engagement arrangements and complete face-to-face satisfaction surveys. A further £70k will be invested into conduct and competency to ensure professional qualifications are obtained for all Housing staff in managerial positions, as required by the updated regulations.

#### 4.4.5 Staffing growth

There are three areas for targeted staff growth in 2025/26. Firstly, 10 craft apprentices and a supervisor are going to be sought at a cost of £280k to assist with ongoing maintenance and refurbishment works, where there are current vacancies and recruitment challenges. Secondly, there is a need to obtain 3 Quality Control Engineers, at an annual cost of £160k, to complete audits on current repair work, conduct quality control inspections and oversee health and safety matters. These are important roles to verify the council's ongoing compliance with industry regulations. There will also be £170k invested into Technical Services to obtain extra Housing professionals to support other areas of compliance and asset management work.

#### 4.4.6 Running Cost Inflation

Inflation affects almost all areas of HRA running costs and is largely unavoidable. Contracts are reviewed as required to ensure that best value is being obtained, but the HRA is subject to wider market forces over which it has little influence. For 2025/26, materials and contractor inflation are forecast to be £0.3m higher. Services which are provided to the HRA by other parts of the council are also subject to inflation pressures, and these costs are then passed on to the HRA, adding a further £0.3m.

#### 4.4.7 Electrical Installation Condition Reports (EICR)

An investment of £0.5m is being made to support the requirement for EICRs now to be undertaken every 5 years also set out in the new Regulations. The majority of this will be funding external contractors to complete the work, however there is also internal investment planned to fund extra resource and training for more of this work to be completed in-house.

#### 4.4.8 Other Pressures

Additional grounds maintenance of £0.3m is to be conducted in 2025/26 which will include works such as weed spraying, maintenance of grass and hedging and general estates maintenance. This will help the council's compliance with the tenancy standard as well as offering a positive improvement to local residents who will see benefit from better presented and maintained public spaces.

The Council previously provided a discount on Council Tax for the first 30 days of properties being void. The removal of this discount will come at a cost of £0.1m to the HRA.

## 4.5 Rent

4.5.1 The primary source of income into the HRA is from the rent charged to tenants. Through the Rent Standard, central government set the rules governing the maximum rent which may be charged and the maximum increase from one year to the next. Whilst the stated aim has been to provide medium-term assurance on a consistent methodology, in practice this has fluctuated. Social rent increases of up to 2.7% are permitted, reflecting CPI+1% as at September 2024. The government has announced plans for a long-term rent settlement permitting increases to rents of CPI +1% for the next 10 years.

4.5.2 Given the scale of the pressures outlined in section 4.4 of this report, the proposal is to seek approval to apply a rent increase of 2.7%. To apply a rent increase of anything less than this would necessitate either a scaling back of the capital programme, a draw on limited reserves, or revenue service cuts. A rent increase below 2.7% would lead to a loss of income of £875k for each 1% in 2025/26, and £10.6m over a 10-year period. Importantly, there would be no opportunity to recover this reduction to the base level income by applying a higher rental increase in future years (other than when properties are re-let). This level of increase will also apply to hostels, where all individuals staying at the Dawn centre are eligible for Housing Benefit.

### 4.5.3 Gypsy & Traveller Plot Rent

Whilst the Gypsy and Traveller sites sit outside the Housing Revenue Account, it is still necessary to set the annual rent for these plots and this is typically incorporated within this report. It is proposed that a 4% rental increase be applied for 2025/26, in line with the combined effect of CPI and wage inflation.

### 4.5.4 Garage Rent

Whilst garage rents are set separately to dwelling rents it is proposed to increase these by 2.7%, in line with core rent.

## 4.6 Service Charges

4.6.1 Service charges should be set with the intention of recovering the full cost of providing the service. To ensure parity with costs, it is proposed that a 1.7% increase is applied in 2025/26 in line with inflation (CPI), other than for waylighting and district heating.

4.6.2 A limited number of service charges relate entirely to energy costs. Waylighting charges are levied to cover the cost of electricity incurred, which the Council purchases in advance. The charge in 2024/25 fell by 10.1% on the back of a fall in the purchase price; the cost in 2025/26 is projected to fall by a further 9.1%, forming the basis of the proposed charge for the year.

### 4.6.3 District Heating

Approximately 1,900 tenants and 1,000 homeowners are supplied heating and hot water through the District Heating scheme. Charges are raised on 2 separate bases: those which have a heat meter installed and those which do not.

#### **Properties With a Heat Meter**

The charges for properties with a heat meter are separated into fixed charges (which are payable regardless of usage) and a variable charge for the heat actually consumed.

The forecast underlying cost of gas for 2025/26 is significantly lower and this is reflected in the proposed charges set out in the table below:

	<b>24/25 Annual Charge for Tenants</b>	<b>25/26 Annual Charge for Tenants</b>
Fixed Charges	£193	£140
Billing & Collection	£75	£75
Fusion Fee on Billing & Collection	£3	£3
VAT on the above (@5%)	£13.57	£11
<b>Total Fixed Charges</b>	<b>£284.90</b>	<b>£228.80</b>
<b>Weekly Charge (over 50 weeks)</b>	<b>£5.70</b>	<b>£4.58</b>

<b>Variable Charge pkWh of Heat</b>	<b>8.42p</b>	<b>6.30p</b>
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It is important to note that the forecast price of gas is subject to change and will crystallise as the year progresses; there may be a need to revise these charges during the financial year.

#### **Properties With No Heat Meter Installed**

Where there is no way of charging based on actual heat consumption, fixed charges are applied. Due to the high price of gas through 2024/25 properties without heat meters had their average annual charge capped at £1,460, with the HRA picking up the cost of this subsidy for tenants.

The reduction in the forecast price of gas means that the full cost charges for tenants and leaseholders in 2025/26 will be over 26% below the capped level for 2024/25. The proposed charges are set out below:

	<b>2024/25 Annual Charge</b>	<b>2025/26 Annual Charge</b>
<b>1 bed</b>	£1,188	£885
<b>2 bed</b>	£1,646	£1,226
<b>3 bed</b>	£2,071	£1,543
<b>4 bed</b>	£2,512	£1,871
<b>Other</b>	£631	£470
<b>Avge</b>	<b>£1,460</b>	<b>£1,087</b>
<b>Average Weekly Charge (50 weeks)</b>	<b>£29.20</b>	<b>£21.75</b>

## **4.7 Revenue Savings**

4.7.1 The proposals within this report meet the identified budget pressure of £5.39m in 2025/26. The proposed changes to rent and service charges at section 4.5 and 4.6 would result in additional income of £3m. Table 2, below, summarises the additional income and proposed savings to deliver a balanced budget:

<b>Table 2: Additional Income &amp; Reductions in Expenditure</b>	<b>2025/26 £000</b>
Dwelling Rent & Service Charges	(2,984)
Rent From Supply of New Housing	(1,402)
Interest & Debt	(553)
Capital Expenditure Financed from Revenue	(300)
Staffing & Running Costs	(146)
<b>Total Savings</b>	<b>(5,385)</b>

#### 4.7.2 Rental Income from Supply of New Housing

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 £1.4m in 2025/26 as a result of this programme.

#### 4.7.3 Interest & Debt

Over the lifespan of the assets, HRA finances are improved through the building and acquisition of properties for affordable rent. This new supply relies on prudential borrowing, on which interest must be paid, and interest charges are expected to increase by £0.23m in 2025/26. However, the HRA also holds cash balances on which it earns interest and increased balances will result in an extra £0.78m being earned in interest.

#### 4.7.4 Capital Expenditure Financed 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 2024/25 amounted to £10.86m. In 2025/26 the figure reduces to £10.56m, releasing resources and therefore representing a revenue saving. The detail of changes to specific schemes is within section 4.8, below.

#### 4.7.5 Staffing & Running Costs

There are structural underspends within the budget for Neighbourhood Improvement Operatives such that £59k in savings can be released. The budget for fuel costs within fleet has consistently underspent and £76k of budget can be released as a result, alongside £11k of building savings.

4.7.6 In summary, the proposals outlined in this report will meet the amount required to balance the revenue budget for 2025/26. Appendix A shows a high-level breakdown of the proposed HRA revenue budgets for the year.

### 4.8 **Capital Expenditure**

4.8.1 The proposed 2025/26 capital programme (excluding budgets slipped from previous years) is £40.96m, with £30m of this relating to the Affordable Housing programme of building and buying properties.

4.8.2 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 the last year.

4.8.3 Appendix B shows the proposed capital programme for 2025/26. The following changes to the capital programme are proposed:

#### 4.8.4 Affordable Housing – Acquisitions & New Build

Over £215m has been added to the capital programme since November 2019 to support the programme of new build and property acquisitions. This helps to sustain the medium and long-term position of the HRA by replacing properties lost under Right to Buy, and this report seeks to add a further £30m to the programme. This will be financed using 'Allowable Debt' (a reserve which is the product of RTB sales) and Prudential Borrowing. Further additions to the programme are expected to take place as government grant funding for affordable housing is released throughout the year. In particular, this is expected to focus on accommodation for homeless people and for refugees which will help to alleviate pressure on temporary accommodation costs within the General Fund.

#### 4.8.5 Kitchens & Bathrooms

The Kitchen and Bathrooms programme is ongoing with 333 refurbishments anticipated to be completed for 2024/25. For 2025/26 the annual budget will be £2.4m, which will fund a further 333 installations.

#### 4.8.6 Boilers

A further investment of £2m has been included to fund boiler replacements. This is a reduction from the £2.5m budget in 2024/25 due to a reduced reliance on external contractors and more in house installation work being completed. We aim to replace 784 boilers during 2024/25, and a further 760 in 2025/26

#### 4.8.7 Re-Wiring

A continuation of the re-wiring budget at the same level as for 2024/25 will help to support full/partial re-wiring at 450 properties across the city.

#### 4.8.8 Re-Roofing, Soffits & Facias

The investment in re-roofing will increase by £0.5m to facilitate a greater number of roof replacements. This will help to address the increase in responsive repairs over the last year. During 2024/25 we aim to have replaced roofs at 30 properties and 70 during 2025/26.

#### 4.8.9 District Heating

The HRA incurs costs in maintaining the secondary network of district heating. The £0.5m cost of this important work in 2025/26 is not passed on to tenants.

#### 4.8.10 Communal & Environmental Works

This report proposes the continuation of this important work with a further £0.2m budget. Examples of the type of work this has funded over the last year include:

- The replacement of planters and installation of additional bollards on Hockley Farm Road
- Installation of metal gates on Flora Street
- Grounds maintenance work around Portmore Close
- Improvements to the front of communal blocks along Thurncourt Road, Flamborough Road and Thurncourt Gardens

#### 4.8.11 Communal flat improvement programme

£0.2m has been added to the capital programme for improvements to communal flats for 2025/26. This is to replace external cladding which has become dated with more efficient materials which will also be easier to maintain. This will be financed from revenue underspends arising in 2024/25.

#### 4.8.12 Loft insulation

The project funding has increased by £50k for 2025/26 to increase the number of loft top ups. This is required to improve energy efficiency as well as ensuring that insulation meets current standards.

#### 4.8.13 Door entry replacements

£250k has been added to fund the replacement of various door entry systems. Many of these systems are dated and due to their age are becoming very expensive to repair. This programme is required to ensure the systems are kept up to standard.

#### 4.8.14 St Matthews Estate Balcony/Walkway Work

A further £0.2m is being added to the capital programme towards balcony/walkway work across the St Matthews Estate, including balconies and walkways. This will be financed from revenue underspends arising in 2024/25.

4.8.15 The financing of the proposed capital programme is shown in the table below:

<b>Table 3: Financing of HRA Capital Programme</b>	<b>2024/25 £000</b>	<b>2025/26 £000</b>
Funded From Revenue	10,860	10,560
Funded From Reserves	0	400
Funded From Right to Buy Receipts (incl. Allowable Debt)	7,500	12,000
Funded from Borrowing	7,500	18,000
	<b>25,860</b>	<b>40,960</b>

### 4.9 HRA Reserves

4.9.1 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 2025/26, other than revenue underspends to finance the balcony/walkway work on the St. Matthews Estate and Communal Flat improvements.

4.9.2 Projections of the HRA reserve position at the end of 2024/25 indicate that there will be only limited unallocated reserves, in the region of £0.7m. This is a very small sum, particularly given the short and medium-term financial risks facing the HRA, including the potential for future rent restrictions and the continuing impact of higher interest rates.

Forecast Opening Reserves Balance as at 1 <sup>st</sup> April 2025	£20.8m
Amount held to cover minimum working balances	£5.0m
Amount held to finance prior years' capital approvals (including policy provisions)	£9.7m
Earmarked for future anticipated calls on reserves	£5.4m
<b>Forecast Unallocated Reserves Balance as at 31<sup>st</sup> March 2026</b>	<b>£0.7m</b>

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

### **5.1 Financial implications**

5.1.1 This report is exclusively concerned with financial issues.

Amy Oliver, Director of Finance

### **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 (s.76 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 (s.75 and Schedule 4 Local Government and Housing Act 1989).

Jeremy Rainbow, Principal Lawyer (Litigation)

### **5.3 Equalities implications**

5.3.1 When making decisions, the Council must comply with the Public Sector Equality Duty (PSED) (Equality Act 2010) by paying due regard, when carrying out their functions, to the need to eliminate unlawful discrimination, advance equality of opportunity and foster good relations between people who share a protected characteristic and those who do not. In doing so, the council must consider the possible impact on those who are likely to be affected by the recommendation and their protected characteristics.

5.3.2 Protected groups under the Equality Act 2010 are age, disability, gender re-assignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, sex and sexual orientation.

5.3.3 The report recommendations with regards to increases in rent is likely to have a negative impact on people from across a range of protected characteristics by impact on household budgets. However, the work being carried out from income raised by the rent increases will lead to positive equality impacts, particularly on increased space and adaptations being made to homes.

5.3.4 An Equality Impact Assessment has been carried out and will continue to be updated as consultation continues to reflect information that is collated.

Equalities Officer, Surinder Singh Ext 37 4148

### **5.4 Climate Change and Carbon Reduction implications**

5.4.1 Housing is responsible for around a third of Leicester's overall carbon emissions. Following the city council's declaration of a Climate Emergency in 2019 and its aim to achieve net zero carbon emissions for the city and council addressing these emissions is vital to meeting our ambition, particularly through the council's own housing where it has the highest level of influence and control.

5.4.2 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 and providing low carbon heating and hot water systems, 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 help to limit maintenance costs.

5.4.3 Further detail of actions being undertaken to improve energy efficiency are noted in the report and within Appendix F as part of 'Priority three – Sustainable Leicester', including the construction of new energy efficient council homes, the installation of energy efficiency measures including insulation, LED lighting and upgraded heating in properties and heat metering for properties on the district heating network.

Aidan Davis, Sustainability Officer, Ext 37 2284  
15 November 2024

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

None

**7. Summary of appendices:**

Appendix A: Proposed HRA Revenue Budget 2025/26

Appendix B: Proposed HRA Capital Programme 2025/26

Appendix C: Other Service Charges and Payments 2025/26

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 OSC

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 2025/26

	2024/25 Current Budget £000	- 2025/26 -		Proposed 2025/26 Budget £000
		2025/26 Budget Pressures £000	2025/26 Savings & Reductions £000	
<b>Income</b>				
Dwelling & Non-Dwelling Rent	(87,606)	1,339	(4,452)	(90,719)
Service Charges	(12,968)	0	66	(12,902)
<b>Total Income</b>	<b>(100,574)</b>	<b>1,339</b>	<b>(4,386)</b>	<b>(103,621)</b>
<b>Expenditure</b>				
Management & Landlord Services	32,737	1,640	(59)	34,318
Repairs & Maintenance	31,441	1,513	(87)	32,867
Interest on Borrowing	13,666	0	(553)	13,113
Charges for Support Services	5,604	536	0	6,140
Contribution to GF Services	6,266	357	0	6,623
	<b>89,714</b>	<b>4,046</b>	<b>(699)</b>	<b>93,061</b>
<b>Capital Funded From Revenue</b>	<b>10,860</b>	<b>0</b>	<b>(300)</b>	<b>10,560</b>
<b>(Surplus) / Deficit Before Reserves</b>	<b>0</b>	<b>5,385</b>	<b>(5,385)</b>	<b>0</b>
Funding From Reserves	0			0
Contributions To Reserves	0			0
<b>(Surplus) / Deficit</b>	<b>0</b>	<b>5,385</b>	<b>(5,385)</b>	<b>0</b>

## HRA Capital Programme 2025/26

The table below shows the 2024/25 capital programme approved in February 2024 (excluding budgets slipped from previous years' programmes), and the proposed programme for 2025/26. All of the schemes listed for 2025/26 are immediate starts.

	24/25 Capital Programme £000	25/26 Capital Programme Additions £000
Kitchens & Bathrooms	2,800	2,400
Boilers	2,500	2,000
Re-wiring	1,610	1,610
Re-roofing	1,000	1,500
Soffits & Facia	150	150
Windows and Doors	50	50
District Heating Maintenance	500	500
Communal Improvements & Environmental Works	200	200
Communal Flat Improvement Programme	0	200
Disabled Adaptations	1,200	1,200
Fire Risk Works	500	500
Safety Works including Targeted Alarms	100	100
Loft Insulation	50	100
Affordable Housing - Acquisitions & New Build	15,000	30,000
St Matthews Balcony/walkway Estate Work	200	200
Door entry replacements	0	250
<b>Total Capital Programme</b>	<b>25,860</b>	<b>40,960</b>

## 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																								
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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
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### Average Rents Comparison

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

Property type	LCC HRA 2024/25	LCC Formula Rent 2024/25	Housing Association 2024 (gross social rent)	Private Sector (LHA rate) 2024	Private Sector (city wide) Sept 2024
	£	£	£	£	£
Room only	-	-	-	91	-
Bedsit (studio)	74.62	77.44	95.05		149.54
1 bed	78.70	83.52	100.63	124.27	
2 bed	92.77	95.69	101.71	149.59	187.62
3 bed	103.98	106.76	106.47	178.36	219.00
4 bed	119.19	117.59	127.10		
5 bed	128.42	128.86	130.91	241.64	310.62
6 bed	138.77	138.31	148.05		

## 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 2024/25 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.

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## 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 Housing Revenue Account 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 the plans for investment in our 19,340 (October 2024) council homes and their neighbourhoods.

### Priority one – Providing Decent Homes

Just over 1 in 7 homes in Leicester is a council house, flat, maisonette or bungalow. 14% 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. To ensure we have accurate information in relation to our properties we are planning to undertake a stock condition survey, visiting all properties to carry out this assessment.

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.

Below are some of the main criteria used to plan major works in Council properties:

<b>Component for replacement</b>	<b>Leicester's replacement condition criteria</b>	<b>Decent Homes Standard minimum age</b>
Bathroom	All properties to have a bathroom for life by 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)
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The table below shows the key Capital Programme work being carried out during 2024 / 25 and our proposals for 2025 / 26.

Programmed element	Achievements and proposals
Kitchens and bathrooms	We expect to have installed 330 kitchens / bathrooms in 2024/25. During 2025/2026 we are expecting to install a further 330. As at the 1 <sup>st</sup> April 2024, 83% of all council properties have had either a Leicester Standard kitchen or bathroom.
Rewiring	We expect to have rewired 500 homes in 2024/25 and a further 450 during 2025/26
Central heating boilers	Investment is calculated to replace boilers every 15 years based on condition data from the annual gas service. We expect to have replaced 784 boilers in 2024/25 and a further 760 in 2025/26.
Roofing and chimneys	We expect to have installed 30 new roofs in 2024/25 and a further 70 in 2025/26
Central heating systems	We have 69 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 41 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, guttering	By replacing these items with UPVC, it will help to reduce long term maintenance costs. During 2024/25, we anticipate installing UPVC soffits, fascia's and gutters to 70 properties, and a further 120 properties in 2025/26.
Condensation and damp 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 2024/25, we expect to complete work on 982 properties and a further 950 in 2025/26. Advice to tenants is also important as their actions can alleviate condensation problems, for example opening windows when cooking. Work has started to develop a formal policy around tackling damp and mould in our properties.
Safety and fire risk work	Investment is required to implement the planned programme of fire safety measures, as agreed with the Fire Service

The Building Safety Act came into force in April 2022. The Act is a significant piece of legislation that overhauls the way residential buildings are constructed and maintained. The Act is principally concerned with improving safety in higher risk buildings (those at least 18 metres in height or those that have at least 7 storeys). We have a Building Safety Manager who is responsible for overseeing work in relation to Building Safety. We are also investing in a new IT module to improve our management of work related to fire safety.

The Government intends to review the Decent Homes Standard. We are currently waiting for further information on proposals. 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.

It is crucial that we continue to repair and maintain homes. Responsive repairs are those reported by tenants when something breaks or stops working in their home, which we are responsible for fixing. During 2023 / 24 89,070 responsive repairs were completed compared to 83,274 in 2022 / 23. To make sure that the most serious repairs are dealt with first, we have 3 levels of repair priority. During 2023/24 we completed 92.8% of emergency repairs within our 24 hours target. For other repairs we completed 75.1% of these on our first visit. Sometimes we are unable to complete repairs when we first visit if tenants are not at home for their appointment or we need to order in specific parts to complete the work.

We have been implementing an action plan 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 2023 / 24 the average time to repair all vacant properties was 184 days, 6 days less than the previous year. Increasingly major works need to be carried out on our vacant properties to ensure the safety of our new tenants. This work can include asbestos removal, the fitting of new kitchens or bathrooms, rewires, boilers replacements and specialist cleaning, which increases the time properties are vacant. At the end of September 2023, we were carrying out work on 379 vacant properties; at the start of October 2024 this number had reduced to 324 properties.

## **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 significant challenges brought about by the Cost of Living crisis, the Income Management Team have worked hard to support tenants in paying their rent, ensuring 98.54% of rent was collected in 2023 / 24. The high rate of income collection enables us to continue delivering 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 2024/25 the £200k environmental and communal works budget was shared across the city in all neighbourhood housing areas. Examples of the work taking place this year includes:

- The replacement of planters and installation of additional bollards on Hockley Farm Road
- Installation of metal gates on Flora Street
- Grounds maintenance work around Portmore Close
- Improvements to the front of communal blocks along Thurncourt Road, Flamborough Road and Thurncourt Gardens

In addition to this two of our neighbourhoods, St Matthews and St Peters, had been identified as needing investment to improve the quality of their shared spaces and the lived experience of their communities. A Public Realm Programme was developed, providing £5m to create neighbourhoods that people can enjoy and feel safe in. We have worked closely with the local communities, to identify and design improvements for both areas, including open spaces, parking, lighting, road safety and the local environment. We enlisted a Green Team that focused on sprucing up both estates and has made a real impact on improving the appearance of the estates as well as addressing problems such as litter and pests.

The Neighbourhood Improvement 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 increasingly, we have seen more complex anti-social behaviour cases. The Council has a specialist team that investigates and resolves these issues. The team has close links with housing officers and the police. Where it is determined that tenants have caused anti-social behaviour, we will deal with this as a breach of tenancy conditions. 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.

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.

Housing office services are provided in shared Council buildings within local communities. The Customer Support service runs a telephone advice line during working hours where tenants can report emergency repairs and tenancy issues. Out of hours emergency calls are taken by an external provider.

Tenants now report their non-emergency repairs through Housing Online. At the start of October 2024, 11,980 (just over 60%) tenants have registered to access services via Housing Online.

We appreciate that some tenants may have difficulty initially signing up to the Housing Online service and reporting a repair for the first time. To address this, we have a dedicated Housing Online Support telephone line where officers will help set up online accounts and give guidance on how to report repairs.

We also understand there will be a small proportion of our tenants who are digitally excluded and will not be able to use the online service, perhaps because they do not have access to IT devices or Wi-Fi, a disability or a lack of skills or confidence to use this service. Where we identify that this is the case, we flag this on our systems and the tenant can continue to report their repairs to the Customer Support telephone line. No tenant will be left in the position where that they cannot report a repair. At the start of October 2024, we have assessed 2,522 tenants as being digitally excluded, who will continue to report their non-emergency repairs through the Customer Support telephone service.

In 2023/24 we worked with the Adult Education Service to run courses on our estates to help tenants develop their IT skills, and in particular learn how to report repairs through Housing Online.

During 2025/26 we will be rolling out the Housing Online service to enable the reporting of communal repairs, to enable leaseholders to report their repairs online and increase the opportunity to raise tenancy management queries.

Our current engagement structure enables tenants and leaseholders to be involved in a range of activities, such as:

- The Tenants' and Leaseholders' Forum
- Local tenant and resident associations
- Estate inspections
- Responding to surveys, for example through our annual survey and following the completion of a repair
- Having your say on proposed improvements to estates

Examples of involvement activities that took place in 2023 / 24 include:

- Supporting local tenant and resident associations

- Working with tenants in the Aikman Avenue area of New Parks to set up the Crayburn House Tenants' Association.
- Consultation with 350 households when developing a Building Safety Resident Engagement Strategy for our 5 high rise buildings in the city.
- Local consultation activities to identify projects to be undertaken through our £200k environment and communal area improvement fund.
- Consulting the Tenants' and Leaseholders Forum on the proposed changes to rents, service charges and how we intend to spend our money during 2024 / 25.
- Tenants and leaseholders have been involved in the development and implementation of plans to fit meters in properties with district heating
- Engaging with tenants who are in rent arrears to receive feedback on the services they receive
- Giving us compliments when we have done something well
- Surveying households to receive feedback on recent repairs completed

To address the needs of people living in our 1,788 (April 2024) leasehold properties 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.

Although we have involvement and engagement opportunities in place, we know this is an area we want to improve and develop. During September 2024 we held 6 engagement events across the city, where we invited tenants to come along and tell us how they want to be involved and how they want us to communicate with them. Over 180 tenants attended these events and gave us their views. This work is being built upon in 2025 and further consultation will take place to develop a Tenant Engagement and Communication Strategy, with new opportunities put in place for tenants to be involved.

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

Leicester City Council has set an ambition to reach net zero carbon emissions by 2030, with housing a key area for action, as it is responsible for around a third of emissions within the city. This will build upon previous work within Housing, which has already delivered significant reductions in emissions, including Housing Capital Programme initiatives reducing CO<sub>2</sub> emissions from council houses by 58,523 tonnes between 2005 and March 2017.

We have been working towards improving the environmental impact of our homes for many years and during this time we have significantly reduced the CO<sub>2</sub> emissions from our homes. This has been achieved by double glazed window replacements, new central heating installations, new energy efficient boilers, internal and external wall schemes and loft top up insulation works. We have also fitted solar panels. Some specific examples of work we undertook in 2023 / 24 are:

- All replacement boilers fitted had an A grade energy efficiency rating

- Installed loft insulation in 54 properties.
- Started a programme of fitting meters into our properties connected to the District Heating network to enable tenants to better control their energy use and save money on these bills.
- The homes being built as part of our current housebuilding programme have been designed to maximise energy efficiency.
- The fitting of LED lighting in communal areas

We are committed to ensuring that all new housing developments meet the Future Homes Standard 2025. By integrating this standard, we will ensure that new homes in Leicester are built with the highest levels of energy efficiency, reduced carbon emissions, and no reliance on fossil fuels. This commitment aligns with our broader goals for sustainability and carbon neutrality, contributing to a greener future for the city and ensuring that new homes are resilient and environmentally responsible.

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

The latest Housing Needs Assessment (Leicester City Local Housing Need Assessment & Update Addendum, 2022) identified that Leicester’s net affordable housing need is 1,117 additional affordable housing homes per year. Of that total, there is a need for an extra 970 per year affordable rental properties in Leicester (over the period 2020-36) for those who cannot afford to rent, plus 147 Affordable Home Ownership dwellings per year for those who aspire to own.

Between 2019 and 2024 1,081 new affordable homes were made available through new build, conversions and acquisitions. This equates to an average of 216 completions a year, well below what has been determined to be needed in the Housing Needs Assessment.

Issues affecting our ability to provide new affordable housing include:

- The lack of available and viable sites for residential development
- Poor and/or negligible success in securing new affordable housing supply via planning gain. Historically, a proportion of our new supply of affordable housing had been delivered via planning gain (Section 106 contributions). For a period now, the proportion and number of applicable planning consents which include planning gain affordable housing has been negligible.
- The delays to the new Local Plan process have resulted in delays in confirming potential future development sites
- Significant increases in actual and projected costs and inflation associated with housing development. This has been coupled with a shortage of construction labour and skills, significant shortage of materials and financial uncertainties.

Right to Buy sales reduce the number of council homes available at an affordable rent. In 2022 / 23 we lost 329 homes through Right to Buy sales and a further 205 homes in 2023 / 24.

On 1 April 2024, 6,682 households were on our Housing Register for re-housing. Of these 3,876 households needed re-housing due to their current overcrowded

situation. This is the most common reason for households joining the Housing Register and accounts for 58% of all households on the register. We have undertaken work to reduce the number of people experiencing overcrowding, this includes:

- The introduction of a new Band 1 award on our Housing Register for those experiencing critical overcrowding. As a result of this there are now less critically overcrowded households on the Housing Register. In 2023 / 24, 72 households were re-housed as a result of this change.
- We have introduced a scheme called Easy Move, which provides incentives for tenants whose homes are too big for them. This enables them to downsize to something smaller and more affordable, through a mutual exchange. This releases properties for larger households to move into. In 2023 / 24, 18 households used the Easy Move service.

To continue our work in this area we are developing an Overcrowding Reduction Strategy.

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.

In order to meet housing need, there is now an active programme of housing development through the Housing Revenue Account. In 2023 / 24 we built 12 new affordable homes and acquired 139 other properties. This work is continuing in 2024 / 25 and beyond.

Vacant Council properties are advertised through Leicester HomeChoice. In 2023 / 24, 669 households became new Council tenants.

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.

It is important to us that our properties are accessible. This means tenants can remain independent and occupy their own home for as long as possible. It is also essential that we have a supply of accessible homes for those who might need them in future.

Adaptations in tenant's homes are undertaken following an occupational therapy assessment of need. Council tenants do not have to pay for the adaptations that are recommended by an Occupational Therapist. They will be carried out if they are necessary and appropriate, reasonable and practical. If these criteria are not met, alternative solutions may be proposed.

We keep a record of which properties have been adapted so we can allocate them to households on the Housing Register who need the adaptation, when the property becomes vacant. We have 2,292 homes that have been adapted in some way, of which 133 have been adapted for wheelchair users.

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 need those adaptations. In 2023/24 we carried out:

- 420 minor adaptations in our properties, such as the fitting of handrails and ramps
- 133 major adaptations, such as the fitting of level access showers and stair lifts.

We are in the process of developing an Adaptations Strategy to tackle the current lack of suitable adapted housing available to help tenants to live well.

As well as providing homes, it is also important that we provide support to our tenants to maintain their tenancies. We have a Sensitive Lets and Tenancy Support Procedure which helps to identify suitable housing for tenants who are vulnerable and have complex needs. This is to ensure tenants have the right support in place as soon as they move into their new home.

We also have an 'enhanced letting standard' for new tenants who are leaving care or who have been homeless. Eligible new tenants coming through the 'leaving care' and 'homeless' pathways into our properties benefit from the higher letting standard, which provides a fully decorated property and will help to support these people on their journey towards independent living.

The Supporting Tenants and Residents (STAR) service provides one-to-one support to council tenants who might otherwise lose their homes. Priority is given to support 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. During 2023 / 24, there were just 7 evictions for rent arrears and no evictions for antisocial behaviour. We have a low eviction rate compared to other authorities, due to the comprehensive support and income collection work we undertake with tenants.

In 2023 / 24 the Income Management Team helped 572 vulnerable households to access the Government's Housing Support Fund. This was money allocated to help people during the Cost-of-Living crisis. On average households received over £800 from this fund. In addition to this the Income Management Team supported tenants to apply for Discretionary Housing Payments. A total £201,403 was paid in awards for all qualifying council tenants.

As part of the Council's response to the invasion of Ukraine, a team within STAR continues to operate to support Ukrainian Refugees to help them settle into their new homes and provide assistance with pathways to employment. The STAR service also includes the STAR AMAL team who provide support for Syrian refugees as part of the Government's resettlement programme.

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 and well, and enables us to act before a crisis point is reached.

Our Tenancy Management and Homeless Services have been successful in bidding for funding from Public Health England to address substance misuse. This award allows us to fund a team of 7 housing related support workers for three years, and provides additional support to tenants with drug and alcohol dependency issues. The team provides floating support to tenants in their own home to help sustain tenancies and help people engage with treatment services to aid their recovery.

Some people may not have all the skills needed to manage a new tenancy. To help address this need, we have created 11 “trainer accommodation” units in the ZIP building. This provides people with 12 months accommodation in a supported environment. The support includes providing assistance with tasks, such as budgeting, maintaining a home, shopping and cooking, accessing community services, training and education, and keeping healthy. The aim of the project is to give people the skills and knowledge to be able to manage a home when a longer-term council tenancy is granted and to support the sustainment of their new home.

In 2022/23, 94.7% of Council tenancies were sustained. This means that 94.7% of people who became new tenants in 2022 / 23 remained in their tenancy 12 months later. During 2023 / 24, the STAR service provided longer term support to 439 households and provided short term support to a further 236 households.

### **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. The Housing Division employs a workforce of just over 1,000 people, 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 posts within Housing, creating even more of these 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. We are working to deliver improved job opportunities for those facing homelessness. We have worked with partner organisations St Mungo’s and BEAM (charities that support people experiencing homelessness) to develop their skills as a step into work.

### **Regulator of Social Housing Consumer Standards**

The Grenfell Tower tragedy in 2017 exposed critical deficiencies in building safety and regulatory oversight, revealing how inadequate safety measures and poor housing conditions can result in catastrophic outcomes. In response, the Social Housing (Regulation) Act 2023 was introduced with the aim of preventing such tragedies in the future, by enhancing safety standards and ensuring greater accountability among housing providers.

In April 2024, as part of the Social Housing (Regulation) Act 2023, the Regulator for Social Housing brought in new Consumer Standards that all social landlords are required to meet. The four standards now in place are:

**Quality and Safety Standard:** Social Housing providers must ensure that homes meet the Decent Homes Standard, and all health and safety assessments have been undertaken. These include areas such as gas, electrical, water, lift and fire safety checks.

**Transparency, Influence and Accountability Standard:** Ensures that tenants have opportunities to be involved in the decision-making processes in relation to the management of their home and area in which they live. This Standard also places requirements on landlords to listen to tenants', so their voices are heard and that complaints are dealt with effectively.

**Tenancy Standard:** Requirements are placed on landlords to ensure properties are let fairly and transparently, tenants are supported to remain in their homes and support is available for those who wish to move through a mutual exchange.

**Neighbourhood and Community Standard:** Addresses the management of communal areas and the role of housing providers play in fostering safe, sustainable communities. This includes tackling anti-social behaviour and promoting neighbourhood wellbeing.

These standards aim to enhance the quality of social housing and services provided, to ensure that residents live in safe, well-managed environments that meet their needs.

The Regulator now monitors compliance with these standards through regular assessments and inspections. Housing providers are also expected to report on their performance and make necessary improvements where standards are not met.

The Housing Division has undertaken a lot of work over the last 12 months to prepare for the implementation of the new standards and methods of regulation. At the start of the year Managers were involved in workshops to enable us to self-assess ourselves against the new Standards. This information, along with the analysis of our performance results, was used to determine where we met the standards and where further work was required to meet these. It is clear from the self-assessment that we do a huge amount of good work across the Division and in some areas go beyond the requirements set out in the Regulatory standards.

Key themes coming out of this work are the need to strengthen our tenant engagement activities and communication to tenants, also to improve the quality of data that we

hold to provide greater insight into the condition of our properties and the needs of our tenants, and also work to improve our complaint handling processes.

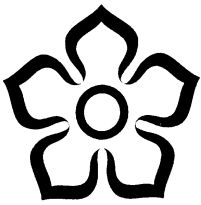
From the self-assessment, we have developed an action plan of tasks we need to complete to ensure we meet all our regulatory requirements. We have appointed senior members from our Head of Services team to lead on the actions under each of the Consumer Standards.

DRAFT

**Feedback from consultation with Tenants' and Leaseholders'**

*To follow*

DRAFT



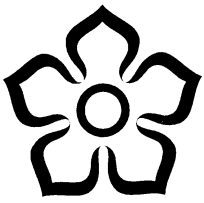
Leicester  
City Council

Appendix H

Minutes of the Meeting of the  
HOUSING SCRUTINY COMMISSION

*TO FOLLOW*

DRAFT



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Appendix I – OSC Minutes Extract

MINUTE EXTRACT

Minutes of the Meeting of the  
OVERVIEW SELECT COMMITTEE

*To Follow*

DRAFT

## Equality Impact Assessment (EIA)

<b>Title of proposal</b>	Housing Revenue Account Budget (including Capital Programme) 2025/26
<b>Name of division/service</b>	Housing
<b>Name of lead officer completing this assessment</b>	Helen McGarry, Programme Manager
<b>Date EIA assessment commenced</b>	12 <sup>th</sup> November 2024
<b>Date EIA assessment completed (<i>prior to decision being taken as the EIA may still be reviewed following a decision to monitor any changes</i>)</b>	TBC
<b>Decision maker</b>	Full Council
<b>Date decision taken</b>	19 <sup>th</sup> February 2025

<b>EIA sign off on completion:</b>	<b>Signature</b>	<b>Date</b>
<b>Lead officer</b>		
<b>Equalities officer (has been consulted)</b>		
<b>Divisional director</b>		

## **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 Housing Revenue Account (HRA) operates in a self-financing environment. This means the budget is set by the Council, within Government boundaries, taking into account expected levels of income and predictions on what needs to be spent. Spending priorities are made based on the need to achieve the right balance between investing in, maintaining and improving the housing stock, providing landlord services to tenants, building new homes and supporting and repaying housing debt of £271m. There is a requirement that the proposed budget for 2025/26 is set as a balanced budget (money spent does not exceed the income received). However, there are a number of pressures (most of which are unavoidable) that are increasing the amount which must be spent. These pressures include:

### Pay inflation

An assumed pay award for 2025/26 of 2.5% has been built into this budget resulting in an increase in pay costs of £0.5m. There are also adjustments relating to the changes to the employer's national insurance thresholds announced in the Chancellor's October 2024 budget, which increases the pressure by £0.7m.

### Running Cost Inflation

Inflation affects almost all areas of HRA running costs and is largely unavoidable. For 2025/26, materials and contractor inflation are forecast to be £0.3m higher. Services which are provided to the HRA by other parts of the council are also subject to inflation pressures, and these costs are then passed on to the HRA, adding a further £0.3m in 2025/26.

### Right to Buy

Council tenants have the Right to Buy their council home at a discount of up to 70% of the property value. Right to Buy sales puts pressure on the HRA because it means there is a loss of rental income from the properties sold. In the Government's October 2024 budget, proposals were announced to change the Right to Buy scheme in terms of reduced eligibility and discounts. As a result of these proposals an initial increase in sales is predicted before the new rules are in place, creating a further loss of income to the Housing Revenue Account of £1.3m. However, longer term changes to the scheme could see a reduction in Right to Buy sales and therefore a more financially sustainable Housing Revenue Account.

### Regulatory costs

Recent changes to Housing Regulations mean additional staffing resources are required to fulfil our landlord responsibilities. It is therefore proposed that £0.7m is allocated within the budget to fund 10 new staff members to manage the increased workload and complete face-to-face satisfaction surveys. A further £70k will be invested to fund professional qualifications for Housing staff in managerial positions, as required by the new Housing Regulations.

### Electrical Installation Condition Reports

An additional £0.5m is required to support the completion of Electrical Installation Condition Reports to ensure we meet our legal requirements in relation to electrical safety.

### Staffing growth

It is proposed an additional 10 craft apprentices, and a supervisor are sought, at a cost of £280k, to assist with ongoing maintenance and refurbishment works, where there are current vacancies and recruitment challenges. There is also a need for 3 additional Quality Control Engineers, at an annual cost of £160k, whose roles will be to verify the council's ongoing compliance with industry regulations. It is also proposed that £170k is invested into Technical Services to obtain extra Housing professionals to support other areas of compliance and asset management work.

### Other Pressures

It is proposed an additional £0.3m is added to the budget for grounds maintenance work on estates to ensure compliance with our Regulatory requirements and to improve the appearance on our estates.

The Council previously provided a discount on Council Tax for the first 30 days of properties being empty. The removal of this discount will come at a cost of £0.1m to the Housing Revenue Account when council homes are vacated, and work takes place before new tenants move in.

Through the Rent Standard, central government set the rules governing the maximum rent which may be charged and maximum annual rent increases, which is currently CPI+1%. As at September 2024 this means the maximum permitted rent increase social landlords can implement is 2.7%.

Taking into account all the pressures being felt, the Housing Revenue Account Budget proposals for 2025/26 is recommending a 2.7% increase to Council tenant rents. It is reported that applying a rent increase less than 2.7% would either result in scaling back of the Capital Programme, a draw on limited reserves, or revenue service cuts.

As well as this proposed rent increase for 2025/26, the following recommendations are put forward:

- Service charges should be set with the intention of recovering the full cost of providing the service. It is proposed that a 1.7% increase is applied in line with inflation (CPI), other than for waylighting and district heating.
- Waylighting charges cover the cost of electricity incurred. It is predicted that these costs will fall during 2025/26, so it is therefore proposed a 9.1% reduction in these charges is applied.
- District heating charges (metered properties) – It is proposed that tenants and leaseholders on the district heating scheme, who have meters fitted in their homes, will have an annual charge of £228.80 applied for the provision of the service, a reduction from £284.91 in 2024/25. This covers fixed charges, billing and collection, and VAT. Through the fitting of meters in properties these tenants and leaseholders will be able to control the amount of energy they use in their property. It is proposed the variable charge p/kwh of heat will be £6.30, a reduction from £8.42 for 2024/25. The cost of energy use will be charged in addition to the fixed charges and will be dependent on the energy use of each household.

- District heating charges (non metered properties) - Where meters are not fitted in properties there is no way of charging based on actual energy consumption. It is therefore proposed that a combined annual cost charged (fixed costs for providing the service and energy use), will on average be £1,087 for 2025/26. This is a reduction from the average annual charge of £1,460 in 2024/25.
- A 2.7% increase in hostel rents and service charges, which aligns with inflation and estimated increases in pay for the delivery of services.
- A 2.7% increase in garage rents, in line with increases to core rents.
- Whilst the Gypsy and Traveller sites sit outside the Housing Revenue Account, it is proposed that a 4% rental increase be applied for plot rents, in line with the combined effect of CPI and wage inflation.

The following projects are those where it is proposed changes are made to the allocation of funding through the Capital Programme:

- Over £215m has been added to the capital programme since November 2019 to support the programme of new build and property acquisitions. It is proposed that a further £30m is added to the budget in 2025/26 for this purpose.
- Funding for the kitchens and bathrooms programme is reduced from £2.8m in 2024/5 to £2.4m in 2025/26.
- Investment for new boilers will reduce from £2.5m in 2024/25 to £2m in 2025/26 as a result of reduced reliance on external contractors doing this work.
- An in the budget for re-roofing from £1m in 2024/25 to £1.5m in 2025/26 to enable a greater number of roof replacements.
- £0.2m to be added to the Capital Programme for improvements to communal flat areas in 2025/26.
- An increase to the budget for loft insulation from £50k in 2024/25 to £100 in 2025/26 to improve the energy efficiency of more homes
- £250k to be added to the Capital Programme for door entry replacements, where these are dated and need extensive repairs.

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 aim to remove barriers or disproportionate impacts for anyone with a particular protected characteristics compared with someone who does not share the same protected characteristics?
- Is this a relevant consideration? What issues could arise?

Some households may experience a rise in costs and therefore it will impact on their personal budgets and disposable income. This will impact on people across all protected characteristics. Support is in place through the Supporting Tenants and Residents service (STAR) and the Income Management Team for tenants and leaseholders to access services and manage their tenancy.

Some of the potential barriers may relate to:

- Customer access to information about the changes
- How information is communicated to users
- The ease of use of information provided
- Availability in different language formats
- Information provided on rights and /or entitlements
- Information on which agencies can help with money / debt advice (promotion of this to tenants and leaseholders)
- Physical access to services
- Monitoring of potential adverse impact on particular groups

### b. Advance equality of opportunity between different groups

- Does the proposal/service advance 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, which includes carrying out adaptations for those with a disability. 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 they live in, and 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. Where possible include data to support this.

All tenants and leaseholders of Leicester City Council will be impacted upon by the proposals (just over 19,300 tenanted properties and just over 1,813 leasehold properties).

All Council tenants will be charged more rent. The current average rent for a Council property is £92.30 per week. The proposals will mean, on average, tenants will be charged an additional £2.49 per week. The additional amount tenants will actually have to pay is dependent on the number of bedrooms in their property. This weekly increase will range from £2.01 per week for a bedsit and £3.78 per week for a 7-bedroom property.

Tenants in receipt of full Housing Benefit or in receipt of full Universal Credit Housing costs will have the additional charges paid through their benefit entitlement. We know that this applies to approximately 65% of our tenants. Therefore, the proposed increased rent charges will depend on a tenants' financial situation and will impact upon approximately 35% of tenants who are in receipt of partial or no Housing Benefit or Universal Credit Housing Costs.

37 Gypsy and Traveller households, who rent pitches from the council will be impacted upon by the proposed 4% increase in charges for these. Those households in receipt of full Housing Benefit or those that receive Universal Housing Costs will have the increased charges paid through their benefit entitlement.

The 2.7% increase for hostel rents and service charges will impact on single people and couples who are homeless and currently in temporary accommodation in the Dawn Centre. All individuals staying in this accommodation are eligible for Housing Benefit or Universal Credit Housing Costs, so the increased charge will be paid through their benefit entitlement.

Service charges are paid in addition to rent where additional services are provided. Individual service charges for tenants and leaseholders vary due the additional services provided. Where service charges are in place tenants and leaseholders will need to pay an additional 1.7% for these, with the exception of waylighting, where they will benefit from a proposed 9.1% reduction in charges. The table below shows the financial impact of the proposed charges and the number of tenants impacted upon by each of these.

Tenant Service Charges	Approx. Number of Tenants	Current Average Weekly Charge	Proposed Increase	Proposed Weekly Charge	Annual Impact per Dwelling
Waylighting	6,290	£3.27	-9.10%	£2.97	-£15
Security	1,486	£5.94	1.70%	£6.04	£5
TV Receiving Service	5,536	£0.77	1.70%	£0.78	£1
Cleaning	4,058	£3.65	1.70%	£3.71	£3
Laundry	751	£1.53	1.70%	£1.56	£1
Furniture / White Goods	829	£2.07	1.70%	£2.10	£2
Sheltered Lounge	398	£2.83	1.70%	£2.88	£2
Energy Conservation Package	27	£2.37	1.70%	£2.41	£2
Access to Parking Spaces	11	£1.18	1.70%	£1.20	£1
Door Entry	4,071	£3.55	1.70%	£3.61	£3
Sheltered Warden	362	£4.72	tbc	tbc	tbc

The table below shows the financial impact of the proposed charges and the number of leaseholders impacted upon by each of these.

Leaseholder Service Charges	Approx. Number of Tenants	Current Average Weekly Charge	Proposed Increase	Proposed Weekly Charge	Annual Impact per Dwelling
Waylighting	1,525	£3.82	-9.10%	£3.47	-£17
Security	43	£7.71	1.70%	£7.84	£7
TV Receiving Service	1,594	£0.76	1.70%	£0.78	£1
Cleaning	874	£4.69	1.70%	£4.76	£4
Laundry	23	£1.08	1.70%	£1.10	£1
Admin Charges	1,794	£3.96	1.70%	£4.02	£3
Door Entry	1,059	£3.53	1.70%	£3.59	£3
Lifts	97	£2.61	1.70%	£2.65	£2

Approximately 1,900 tenants and an additional 1,000 other households are connected to the district heating scheme. These charges are not covered by Housing Benefit or Universal Credit Housing Costs, so all tenants and other households on the scheme will be impacted upon by the proposals. The Council is undertaking a programme to fit meters into properties served by district heating. This means households will have greater control of their energy usage and the costs associated with this, which could reduce. In November 2024 approximately 750 properties have had meters installed. This number will increase as the meter fitting programme progresses. The table below states how tenants and other households, with meters will benefit from reduced fixed costs during 2025/26. The table also provides information on how tenants and other households will benefit from lower variable charges per KWH of heat in 2025/26, providing specific examples of the potential savings for households in a 1 and 3-bedroom property, based on an assumed energy consumption level.

	24/25 Annual Charge for Tenants	25/26 Annual Charge for Tenants	Difference from 24/25 to 25/26
Fixed Charges	£193	£140	(£53)
Billing & Collection	£75	£75	£0
Fusion Fee on Billing & Collection	£3	£3	£0
VAT on the above (@5%)	£13.57	£11	(£3)
<b>Total Fixed Charges</b>	<b>£284.90</b>	<b>£228.80</b>	<b>(£56)</b>

<b>Weekly Charge (over 50 weeks)</b>	<b>£5.70</b>	<b>£4.58</b>	<b>(£1.12)</b>
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<b>Variable Charge pkWh of Heat</b>	<b>8.42</b>	<b>6.30</b>	<b>(2.12)</b>
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Annual Charge for 1-bed (assumed 8,000kWh)	£959	£733	(£226)
Annual Charge for 3-bed (assumed 12,000kWh)	£1,295	£985	(£311)

At the start of November 2024 approximately 2,300 tenants and other households on the district heating scheme do not have meters fitted to their home. This number will reduce as the meter fitting programme progresses. District heating charges to these households will include both fixed costs and costs for the use of energy. The proposed charges vary, dependant on the number of bedrooms in a property. The table below shows how the proposed reduction in charges will impact households in each bedroom category.

	<b>2024/25 Annual Charge</b>	<b>2025/26 Annual Charge</b>	<b>Difference from 24/25 to 25/26</b>
<b>1 bed</b>	£1,188	£885	(£303)
<b>2 bed</b>	£1,646	£1,226	(£420)
<b>3 bed</b>	£2,071	£1,543	(£528)
<b>4 bed</b>	£2,512	£1,871	(£641)
<b>Other</b>	£631	£470	(£161)
<b>Avge</b>	<b>£1,460</b>	<b>£1,087</b>	<b>(£372)</b>

<b>Average Weekly Charge (50 weeks)</b>	<b>£29.20</b>	<b>£21.75</b>	<b>(£7.45)</b>
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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 493 garages and parking spaces rented out, so the proposed 2.7% increase will impact upon these people. People renting Council garages will see an increase in charges from £11.82 per week to £12.14.

The above proposals will also impact households who become new tenants and new leaseholders in 2025/26. Also, new people accessing temporary accommodation, and renting a garage from the Council.

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

The proposed additional Capital investment of £30m into the housebuilding and acquisitions programme will benefit vulnerable households on the Housing Register and in housing need.

#### **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 NEC IT system (See profiling information at the end of the EIA.) This includes information on ages, ethnic origin, disability, gender, sexuality and religion.

For tenants there are gaps in data in relation to gender re-assignment, marriage and civil partnership, pregnancy and maternity and sexual orientation.

We also have limited profiling information in relation to leaseholders.

For those tenants with protected characteristics commented upon in Section 6 below we know:

14,472 are of working age (18 – 65)

2007 have a disability

9884 have a white background and 5876 have other ethnic backgrounds

11,007 are female

43 are Gay (male) and 43 are Gay (female / lesbian)

## 5. Consultation

Have you undertaken consultation 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?
- 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?

It is proposed that an online consultation exercise takes place between the 6th and 20th December 2024 to seek feedback from tenants and leaseholders on the budget proposals. Tenants and leaseholders will be sent text and e mail messages to advise them of this. It is also proposed that 2 consultation events will take place during December 2024 at locations (to be determined) on our estates. This will provide tenants and leaseholders to provide feedback if they are unable to access the online consultation. Leaflets will be sent out to promote these events. The feedback from these consultation activities will be added to this equality impact assessment when received.

## 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 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 aged people or older people) or specific age bands.

### **What is the impact of the proposal on age?**

With the Cost of Living Crisis earnings have not kept up with inflation over the last 12 months so working households are likely to already be facing pressures on household budgets. Younger people, and particularly children, are more likely to be in poverty before the current Cost of Living Crisis and this is likely to continued.

### **What is the risk of disproportionate negative impact on age?**

Incomes continue to be squeezed through reducing real term wages for working age households and families with children.

### **What are the mitigating actions?**

Access to council discretionary funds for individual financial crises; access to council and partner support for food; and advice on managing household budgets. Also, promotion of any Government financial schemes for vulnerable households to provide support with energy and living costs

## **b. Disability**

A person has a disability if she or he has a physical or mental impairment which has a substantial and long-term adverse effect on that person's ability to carry out normal day-to-day activities. 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?**

Disabled people are more likely to be in poverty. In addition, many disabled people are disproportionately affected by household fuel costs and may have limited opportunities to reduce usage.

The rent and service charge increases could have an impact on such household incomes.

Through the Affordable Housing Programme, people with a disability, who are waiting for re-housing on the Housing Register may be offered accommodation to meet their needs sooner.

Further erosion of the quality of life being experienced by disabled people.

**What is the risk of disproportionate negative impact on disability?**

Further erosion of the quality of life being experienced by disabled people.

**What are the mitigating actions?**

Access to council discretionary funds for individual financial crises; access to council and partner support for food; and advice on better managing budgets. Also, promotion of any Government financial schemes for vulnerable households to provide support with energy and living costs. However, it has not yet been announced as to whether this support will be provided by Government in 2024 / 25.

The programme in place to install meters in properties on the District Heating network, will give disabled households more control over their energy use and costs.

Where needed we will provide information in different formats to enable tenants with a disability to receive this.

**c. Gender reassignment**

Indicate whether the proposal has potential impact on trans men or trans women, and if so, which group is affected. a trans person is someone who proposes to, starts, or has completed a process to change his or her gender. A person does not need to be under medical supervision to be protected.

**What is the impact of the proposal on gender reassignment?**

No disproportionate impact is attributable specifically to this characteristic.

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

Not applicable

**What are the mitigating actions?**

Not applicable

#### **d. Marriage and civil partnership**

Please note that the under the Public Sector Equality Duty this protected characteristic applies to the first general duty of the Act, eliminating unlawful discrimination, only. The focus within this is eliminating discrimination against people that are married or in a civil partnership with regard specifically to employment.

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

No disproportionate impact is attributable specifically to this characteristic.

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

Not applicable

##### **What are the mitigating actions?**

Not applicable

#### **e. Pregnancy and maternity**

Does the proposal treat someone unfairly because they're pregnant, breastfeeding or because they've recently given birth.

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

No disproportionate impact is attributable specifically to this characteristic.

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

Not applicable

##### **What are the mitigating actions?**

Not applicable

## **f. Race**

Race refers to a group of people defined by their race, colour, and nationality (including citizenship) ethnic or national origins. A racial group can be made up of two or more distinct racial groups, for example Black Britons, British Asians, British Sikhs, British Jews, Romany Gypsies and Irish Travellers.

### **What is the impact of the proposal on race?**

Those from white backgrounds are disproportionately on low incomes (indices of multiple deprivation) and in receipt of benefits. Some ethnic minority people are also on low income and on benefits, this will include our Gypsy and Traveller tenants who rent pitches from the council.

A large proportion of properties in the centre area of the city are on the District Heating scheme. We know a higher proportion of people with a Black, Asian and other ethnic background live in this area, so they could be more impacted upon by the District Heating charge proposals.

### **What is the risk of disproportionate negative impact on race?**

Household income being further squeezed through low wages and reducing levels of benefit income. There is a direct impact on Gypsy and Traveller families who may not be able to afford the proposed increased charges for pitch rents.

### **What are the mitigating actions?**

Access to council discretionary funds for individual financial crises, access to council and partner support for food and advice on managing household budgets. Also, promotion of any Government financial schemes for vulnerable households to provide support with energy and living costs.

Where required, interpretation and translation will be provided to remove barriers in accessing support.

The programme in place to install meters in properties on the District Heating network, will give households more control over their energy use and costs.

The City Council employs a Gypsy and Traveller Manager to manage our sites and provide support to people living on these. Communication about the proposed changes will take place. Gypsy and Travellers will be provided with specific support from this officer if they are facing financial difficulties.

### **g. Religion or belief**

Religion refers to any religion, including a lack of religion. Belief refers to any religious or philosophical belief and includes a lack of belief. Generally, a belief should affect your life choices or the way you live for it to be included in the definition. This must be a belief and not just an opinion or viewpoint based on the present state of information available and;

- be about a weighty and substantial aspect of human life and behaviour.
- attain a certain level of cogency, seriousness, cohesion, and importance, and
- be worthy of respect in a democratic society, not incompatible with human dignity and not in conflict with fundamental rights of others. For example, Holocaust denial, or the belief in racial superiority are not protected.

Are your services sensitive to different religious requirements e.g., times a customer may want to access a service, religious days and festivals and dietary requirements

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

No disproportionate impact is attributable specifically to this characteristic.

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

Not applicable

#### **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?**

Disproportionate impact on women who tend to manage household budgets and are responsible for childcare costs. Women are disproportionately lone parents, who are more likely to experience poverty

### **What is the risk of disproportionate negative impact on sex?**

Incomes squeezed through low wages and reducing levels of benefit income. Increased risk for women as they are more likely to be lone parents.

### **What are the mitigating actions?**

If in receipt of Universal Credit or tax credits, a significant proportion of childcare costs are met by these sources.

Access to council discretionary funds for individual financial crises, access to council and partner support for food and advice on managing household budgets. Also, promotion of any Government financial schemes for vulnerable households to provide support with energy and living costs.

## **i. Sexual orientation**

Indicate if there is a potential impact on people based on their sexual orientation. The Act protects heterosexual, gay, lesbian or bisexual people.

### **What is the impact of the proposal on sexual orientation?**

Gay men and Lesbian women are more likely to be in poverty than heterosexual people, and trans people are even more likely to be in poverty and unemployed.

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

Household income being further squeezed through low wages and reducing levels of benefit income.

### **What are the mitigating actions?**

Access to council discretionary funds for individual financial crises, access to council and partner support for food and advice on managing household budgets. Also, promotion of any Government financial schemes for vulnerable households to provide support with energy and living costs.

## **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 the budget proposals will impact upon all tenants and leaseholders.

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

Not applicable

## 8. Armed Forces Covenant Duty

The Covenant Duty is a legal obligation on certain public bodies to 'have due regard' to the principles of the Covenant and requires decisions about the development and delivery of certain services to be made with conscious consideration of the needs of the Armed Forces community.

When Leicester City Council exercises a relevant function, within the fields of healthcare, education, and housing services it must have due regard to the aims set out below:

**a. The unique obligations of, and sacrifices made by, the Armed Forces**

These include danger; geographical mobility; separation; Service law and rights; unfamiliarity with civilian life; hours of work; and stress.

**b. The principle that it is desirable to remove disadvantages arising for Service people from membership, or former membership, of the Armed Forces**

A disadvantage is when the level of access a member of the Armed Forces Community has to goods and services, or the support they receive, is comparatively lower than that of someone in a similar position who is not a member of the Armed Forces Community, and this difference arises from one (or more) of the unique obligations and sacrifices of Service life.

**c. The principle that special provision for Service people may be justified by the effects on such people of membership, or former membership, of the Armed Forces**

Special provision is the taking of actions that go beyond the support provided to reduce or remove disadvantage. Special provision may be justified by the effects of the unique obligations and sacrifices of Service life, especially for those that have sacrificed the most, such as the bereaved and the injured (whether that injury is physical or mental).

Does the service/issue under consideration fall within the scope of a function covered by the Duty (healthcare, education, housing)? Which aims of the Duty are likely be relevant to the proposal? In this question, consider both the current service and the proposed changes. Are members of the Armed Forces specifically disadvantaged or further disadvantaged by the proposal/service? Identify any mitigations including where appropriate possible special provision.

A local authority must consider the principles of the Covenant when carrying out specific housing-related functions, including:

- Processing homeless applications
- Allocating social housing properties
- Formulating tenancy and homelessness policies

All these policies will take on board impacts on the armed forces

## 9. 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, care leavers, people living in poverty, care experienced young people, carers, those who are digitally excluded. 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. Care Experienced People**

This is someone who was looked after by children's services for a period of 13 weeks after the age of 14', but without any limit on age, recognising older people may still be impacted from care experience into later life.

#### **What is the impact of the proposal on Care Experienced People?**

No disproportionate impact is attributable specifically to Care Experienced People.

**What is the risk of negative impact on Care Experienced People?**

Not applicable

**What are the mitigating actions?**

Not applicable

**b. Children in poverty**

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

Households with children living in poverty are likely to face difficulties generally, with the rising costs of living.

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

There is a risk that an increasing number of households with children living in poverty are unable to afford all essential items for day-to-day living.

**What are the mitigating actions?**

Access to council discretionary funds for individual financial crises, access to council and partner support for food and advice on managing household budgets. Also, promotion of any Government financial schemes for vulnerable households to provide support with energy and living costs.

**c. Other (describe)**

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

Not known at present

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

Not applicable

**What are the mitigating actions?**

Not applicable

## 10. 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.

The wider cost of living crisis and rise in energy bills has put additional financial pressure on all households and it is likely this will continue for the foreseeable future. During the Cost of Living crisis the Government has provided additional financial support for people on means-tested benefits. This is to help people on low incomes to pay for essential items linked to energy, water and food costs. The scheme has been extended until March 2025, but it is uncertain whether it will continue after this date.

## 11. 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.

## 12. 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](#).

Our IT system allows us to monitor tenants rent accounts, including district heating payments and see when accounts go into arrears. Our Income Management Team carries out this monitoring on a daily basis. Through this monitoring we will be able to identify any

increases in rent arrears, relating to the proposed increased charges and provide support to tenants to reduce these and maximise their income.

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### 13. 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
All tenant and leaseholders are able to pay their rent, service and district heating charges.	The service needs to ensure that they effectively communicate information about the increase in charges as well what advice and assistance is available to tenants, so they are able to access benefits and entitlements. Provide translated materials/options where required.	Chris Burgin – Director of Housing	Ongoing
Households have access to financial help and assistance if they find they are unable to pay for the additional charge	Referrals to the Income Management Team and financial support services in the city. accessing their services.	Natasha Pau – 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 – November 2024

### Ethnicity

Ethnicity		Number of tenants	% of tenants
Asian	Arab	26	0.13%
Asian	Asian/Asian Brit of Other Asian Origin	575	2.97%
Asian	Asian/Asian British of Bangladeshi Origin	200	1.03%
Asian	Asian/Asian British of Chinese Origin	22	0.11%
Asian	Asian/Asian British of Indian Origin	1424	7.35%
Asian	Asian/Asian British of Pakistani Origin	262	1.35%
Black	Black/Black British of African Origin	1468	7.58%
Black	Black/Black British of Caribbean Origin	276	1.42%
Black	Black/Black British of Other Black Background	199	1.02%
Black	Black/Black British of Somali Origin	420	2.17%
Dual Heritage	Dual/Multi Heritage Asian and White	55	0.28%
Dual Heritage	Dual/Multi Heritage Black African and White	56	0.28%
Dual Heritage	Dual/Multi Heritage Black Caribbean and White	250	1.29%
Other	Any Other Ethnic Group	482	2.49%
Other	Any other Heritage Background	124	0.64%
Other	Other Ethnic Group Gypsy/Romany/Irish Traveller	37	0.19%
Prefer Not to Say	Prefer Not to Say	533	2.75%
Unknown / Not Recorded	Ethnicity Unknown	3064	15.83%
White	White British	8919	44.08%
White	White of European Origin	467	2.41%
White	White of Irish Origin	106	0.55%
White	White of Other White Background	392	2.03%

<b>Total</b>	<b>19,357</b>	<b>100.00%</b>
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Age

<b>Age</b>	<b>Number of Tenants</b>	<b>% of tenants</b>
0 – 17	18	0.09%
18 – 21	119	0.61%
22 – 30	1145	5.92%
31 – 40	3114	16.09%
41 – 50	4137	21.37%
51 – 60	4123	21.30%
61 – 65	1834	9.47%
66 - 74	2376	12.27%
75+	2044	10.56%
Not known	447	2.31%
<b>Total</b>	<b>19,357</b>	<b>100%</b>

Gender

<b>Gender</b>	<b>Number of tenants</b>	<b>% of tenants</b>
Female	11,007	56.86%
Male	8010	41.38%
Non binary	2	0.01%
Prefer to say	9	0.05%
Transgender	12	0.06%
Not known	317	1.64%
<b>Total</b>	<b>19,357</b>	<b>100%</b>

### Religion or belief

Religion	Number of tenants	% of tenants
Not recorded	9,605	49.62%
Atheist	331	1.71%
Buddhist	16	0.08%
Christian	2428	12.54%
Hindu	429	2.21%
Jain	1	0.01%
Jewish	7	0.04%
Muslim	2387	12.33%
No religion	2724	14.07%
Other	313	1.62%
Prefer not to say	1007	5.20%
Sikh	109	0.56%
<b>Total</b>	<b>19,357</b>	<b>100%</b>

### Sexual orientation

Sexual orientation	Number of tenants	% of tenants
Bisexual	176	0.91%
Gay (female / lesbian)	43	0.22%
Gay (male)	43	0.22%
Heterosexual	8003	41.34%
Other	183	0.95%
Prefer not to say	1276	6.59%
Not known	9633	49.76%
<b>Total</b>	<b>19,357</b>	<b>100%</b>

Disability

<b>Disability</b>	<b>Number of tenants</b>	<b>% of tenants</b>
Yes	2007	10.37%
No	17,261	89.17%
Not known	89	0.56%
<b>Total</b>	<b>19,357</b>	<b>100%</b>

