

Leicester
City Council

WARDS AFFECTED
All Wards

AOUB1

**HOUSING PERFORMANCE PANEL
CABINET
COUNCIL**

**11th JANUARY 2010
25th JANUARY 2010
28th JANUARY 2010**

HOUSING CAPITAL PROGRAMME 2009/10 and 2010/15

Report of the Divisional Director Housing Services and Chief Finance Officer

1. PURPOSE OF REPORT

- 1.1 This report advises Members on the position at period 7 on this years capital programme, revises the forecast for the 2009/10 out-turn and proposes a five year housing capital programme for 2010/15, for Members approval.

2. SUMMARY AND RECOMMENDATIONS

- 2.1 This report reviews the current years approved Housing Capital Programme and, following receipt of the Single Capital Pot, recommends a programme for 2010/15.
- 2.2 The Housing Capital Programme, if approved, will invest almost £125m in Leicester homes over the next five years. It will significantly support delivering 'One Leicester' by supporting Thriving Safer Communities, delivering Health and Well Being, contributing to Reducing our Carbon Footprint, Investing in our Children and Investing in Skills and Enterprise. It will also meet the requirements of the Business Plan in the Stock Options Appraisal and keep the Council on track to meet the Decent Homes target by 2010 and support six LAA targets.
- 2.3 The **Cabinet** is asked to consider the report and any comments from the Housing Performance Panel and recommend Council to:-
- (i) approve the revised programme, outlined in Appendix 1, for 2009/10 and funding arrangements outlined in paragraph 3.2 of the Supporting Information, and authorize the Director of Legal Services to enter into any contracts necessary to maximize the spend against the revised programme;
 - (ii) Note the ongoing position concerning Right to Buy and other capital receipts and its impact on the General Fund side of the Housing Capital Programme;
 - (iii) approve the resources shown in Appendix 2 of the report, including the use of Housing DSO Reserves, Housing Balances and the Prudential Borrowing

Framework to support the Housing Capital Programme over the next five financial years;

- (iv) endorse the proposal that environmental works in Private Sector Home Improvement Areas should stop so more resources can be directed into energy efficiency measures (para 6.5);
- (v) consider the Equality Impact Assessment appended to this report;
- (vi) approve the Housing Capital Programme for 2010/15 outlined at Appendix 3 including a small level (3.5%) of over programming, and delegate authority to the Divisional Director Housing Services in consultation with the Lead Cabinet Member for Housing to authorize any contracts, and the Director of Legal Services to sign any contracts within the overall programme, to achieve a maximum spend against the resources available;
- (vii) agree to ringfence any new housing capital receipts generated in year to support the Disabled Facility Grant (DFG) Programme;
- (viii) approve the use of any commuted sums realized in year for the acquisition of new affordable housing through either HomeCome or RSL's.
- (viii) note that the 2010/11 Programme will be reviewed during the financial year, and the 2011 to 2015 Programmes will be subject to further scrutiny and ratification as part of the normal annual budget cycles (in particular, commitment to use prudential borrowing and HRA balances will be reviewed at this time); and
- (ix) delegate, to the Divisional Director Housing Services and Lead Cabinet Member for Housing, authority to approve bids from Community Associations under the Environmental and CRI allocations.

3. FINANCIAL IMPLICATIONS (Danny McGrath, Graham Troup and Nick Booth)

- 3.1 The current year's programme shows a revised spend of £27.596m, which can be met by the resources available.
- 3.2 Officers have put together a five-year capital strategy for 2010/15, which shows the following:

	2010/11	2011/12	2012/13	2013/14	2014/2015
	£000	£000	£000	£000	£000
Resources	41,158	20,522	20,550	21,048	21,702
Programme	42,061	21,266	21,298	21,809	22,489
Less Overprogramming	903	744	748	761	787
Planned Spend	41,158	20,522	20,550	21,048	21,702

- 3.3 In putting together the overall capital programme a small amount of over programming (c3.5%), has been included in the figures for Members' approval. In developing this programme officers have included an amount of £1,558k in 2009/10, £9,995k (incl.

£8,333k for new house building programme) in 2010/11, £1,982k in 2011/12, £2,135k in 2012/13, £2,283k in 2013/14 and £2,412k in 2014/15 by utilisation of the Prudential Borrowing Framework.

- 3.4 Should Members endorse the use of Prudential Borrowing they need to appreciate that the Council will get no help from Government in meeting the revenue costs involved, and the costs associated with the 2010/11 loan (£180k in 2010/11, £752k in 2011/12 and £737k in 2012/13, after this date the figure reduces as more and more principal gets repaid). These costs will be a direct charge on the HRA, although the cost of the prudential loan towards financing the 'new build' programme will be covered by rental income generated from the new properties. However, despite utilizing this resource from revenue to support the Housing Capital Programme, it will still leave the HRA with balances in excess of the minimum agreed by the Council. The implication of the charge is included in the HRA Revenue budget, which is elsewhere on this agenda; that report also identifies the Prudential Indicators recommended by the Chief Finance Officer and demonstrates that the costs are affordable and sustainable (subject to the comments below).
- 3.5 Members are asked to note the Council agreed a framework for use of prudential borrowing in February 2008, when it approved the Capital Strategy for the Council, which included HRA borrowing.
- 3.6 Use of prudential borrowing carries with it risk, i.e. that future funds are not available to pay the debt costs. The main risk in respect of the HRA relates to negative housing subsidy paid to the Government. Subsidy in 2010/11 was calculated as follows:

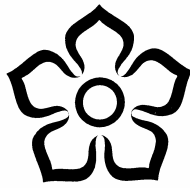
	<u>£m</u>
Management Allowance	15.6
Maintenance Allowance	23.9
Capital Financing support	<u>9.1</u>
Sub Total	48.6
<u>Less</u>	
Guideline Rent	<u>(65.1)</u>
Negative Subsidy payable to the Government	(16.5)

- 3.7 This subsidy payment can be volatile, and is susceptible to changes in Government policy. For instance, following significant increases in Leicester's Management and Maintenance subsidy allowances, the annual negative subsidy position (adjusted for changes in capital finance costs) has improved by £6.8m between 2003/04 to 2005/06, but has worsened by £5.6m from 2005/06 to 2010/11 (although it should be noted, this worsening has been mitigated by large annual rent increases due to rent restructuring). A 1% worsening in negative subsidy amounts to £165k. The risk is however mitigated by the following:-
- (a) significant levels of discretionary revenue spending is projected in future years, which can be delayed if the HRA is likely to drop below the £1.5m minimum balances figure set by Council;
- (b) The ability to borrow in 2011/12 will be reviewed when that years capital programme is set;

(c) As a last resort, reductions could be made in the provision for day-to-day repairs and management costs.

3.8 A further risk is that interest rates may rise substantially compared to current rates. However, the Council's consolidated rate, which is applicable to prudential borrowing, is largely determined by loans taken out in the past at fixed interest rates; this limits the size of any change in the applicable interest rate as a result of fluctuations in current interest rates.

3.9 Members will also no doubt recall, the revised 2005/06 HRA budget allowed for the HRA to establish an earmarked reserve of £1.2m, to cover unforeseen increases in future prudential borrowing costs, for example due to increased interest rates, or major unplanned movements in fuel costs. This reserve can act as a buffer to any unexpected increase in costs.



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FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:

HOUSING PERFORMANCE PANEL
CABINET
COUNCIL

11th JANUARY 2010
25th JANUARY 2010
28th JANUARY 2010

HOUSING CAPITAL PROGRAMME 2009/10 and 2010/15

SUPPORTING INFORMATION

1. The 2009/10 Programme

- 1.1 Members will be aware that the General Fund side of the Housing Capital Programme relies on generating capital receipts from the sale of assets, predominantly council houses under the Right to Buy scheme.
- 1.2 In putting together this years programme officers anticipated that the problems in the general economy would continue to adversely impact on the number of properties being sold and this has proved to be the case. Although officers believe that things will improve next year they expect it to be only a gradual 'thawing' with slow recovery and increased levels of sales.

2. Actual Expenditure to the End of October 2009.

- 2.1 The actual expenditure to the end of October 2009 is £11.060m and again this is detailed in Appendix 1. This equates to c40% of the revised programme. At the same stage last year 47% of the programme had been spent.

3. Resources

- 3.1 Resources are estimated to be in line with that required to fund the whole of the current programme and any additional resources will be used to supplement the 2009/10 programme. If the picture changes further during the year, the Divisional Director Housing Services and Cabinet Member for Housing will consider this jointly.
- 3.2 It is now estimated that resources to fund the 2009/10 programme will be as follows:

	<u>2009/2010</u> <u>Estimated</u> <u>Resources</u> <u>£000</u>	<u>2009/2010</u> <u>Anticipated</u> <u>Resources</u> <u>£000</u>
<u>HIP ALLOCATION/SINGLE CAPITAL POT</u>		
Housing (ACG)/Supported Capital Expenditure/Regional Hsg Pot	8000	7630
Major Repairs Allowance (MRA)	13333	13333
Major Repairs Allowance B/F	0	2000
DFG Allocation	743	751
	-----	-----
	22076	23714
<u>Plus Capital Receipts</u>		
Sale of Council Assets - Property and Land	1300	900
<u>Plus Capital Expenditure charged to Revenue Account (CERA)</u>		
Use of Housing/DSO Profits	200	0
Use of Housing/DSO Balances	2519	2519
<u>Plus Prudential Borrowing Approval</u>		
Prudential Borrowing Framework	600	1558
<u>Plus Other Funding</u>		
Loft Insulation Programme -Match funding from Public Utilities	50	620
Other grants	0	147
Decent Homes Loan Scheme	0	50
<u>Less</u>		
Transfer to Corporate Capital Programme	(500)	(0)
	-----	-----
	26245	29508

3.3 The latest updated programme, outlined at Appendix 1, shows an estimated spend of £27.596 million, which will leave £1.824m to be carried forward for the HRA programme and a small contingency (£88k) for the General Fund Programme. The revised 2009/10 programme is recommended to Members for approval.

4. THE 2010/11 PROGRAMME

4.1 This is the seventh year of the Single Capital Pot and despite pressure on the Council's Capital Programme Cabinet is recommended to agree the following resources for housing.

	<u>2009/2010</u> <u>Anticipated</u> <u>Resources</u> <u>£000</u>	<u>2010/2011</u> <u>Estimated</u> <u>Resources</u> <u>£000</u>
<u>HIP ALLOCATION/SINGLE CAPITAL POT</u>		
Housing (ACG)/Supported Capital Expenditure/Regional Hsg Pot	7630	6927
Major Repairs Allowance (MRA)	13333	11420
Major Repairs Allowance B/F	2000	1824
DFG Allocation	751	743
Decent Homes Loan Scheme	50	500
	23764	21414
<u>Plus Capital Receipts</u>		
Sale of Council Assets - Property and Land incl b/f	900	1000
Capital Receipts b/f	0	88
<u>Plus Capital Expenditure charged to Revenue Account (CERA)</u>		
Use of Housing/DSO Reserves	0	700
Use of Housing/DSO Balances	2519	550
<u>Plus Prudential Borrowing Approval</u>		

Prudential Borrowing Framework - General	1558	1662
Prudential Borrowing Framework – New Build	0	8333
Plus Other Resources		
New Build Challenge Fund	0	7071
Loft Insulation Programme -Match funding from Public Utilities	620	100
Cavity Wall Insulation Programme etc.,	147	240
	-----	-----
	29,508	41,158

- 4.2 In putting together the draft programme officers have once again taken advantage of the freedoms offered by Government via the Prudential Borrowing Framework. This allows councils to borrow against future revenue streams. Although there is always an element of uncertainty in revenue resources, officers' believe that an ongoing revenue commitment can be undertaken following a net improvement in Management and Maintenance Allowances allied to real increases in rent levels over the last few years. This will allow Members to borrow a further £10.474m to support the Housing Capital Programme between 2010 and 2015, and be used to meet the Government's Decent Homes Standard targets for both 2010 and beyond, and over a thirty-year period. The proposed £1.662m prudential borrowing for decent homes work in 2010/11 would add £30k to revenue costs in 2010/11 and £125k in 2011/12 and £122k in 2012/13. This figure reduces in future years as more and more principal gets repaid. These costs have been allowed for the in draft HRA estimates report elsewhere on this agenda. It should be noted that Prudential Borrowing at this level would keep the outstanding total HRA debt within the limit that receives full reimbursement via Housing Subsidy and therefore poses no threat to the general fund.
- 4.3 The reason why use of the Prudential Borrowing Framework has been phased over a number of years is first, to ensure that we do not overheat the local building industry in any one year, and second, to give Members the opportunity to change policy in the future if the revenue situation changed unexpectedly for the worse. The benefit of accessing Prudential Borrowing is that it first of all allows the Council to fully fund both the Decent Homes Standard and to finance the 30 year Business Plan. Second, it removes the only question mark remaining following the consultants report on the Stock Options Appraisal, and third it enables the Council to push ahead with its planned maintenance programme, which should lead to less day-to-day repairs expenditure, and higher rental income, in the future. Finally, it provides tenants with good quality housing, with modern facilities, at an earlier stage in the process, for example, if Members decided to use Capital Expenditure charged to the Revenue Account as an alternative, it would take 11 years to raise the same amount of resources as available through using Prudential Borrowing, and would mean tenants living in unmodernised properties for a substantially longer period of time than under these proposals.
- 4.4 The estimated level of resources shown in Appendix 2 would result in the draft programme outlined at Appendix 3. In putting the programme together officers have allowed for a small amount of over programming (3.5%) to ensure all resources available are used.
- 4.5 The use of housing allocations allows the Council to tackle disadvantage and target resources to overcome inequality. This has been taken into account in developing the 2010/11 programme. Officers have also been conscious of how the Housing Capital Programme can be used to directly support 'One Leicester', LAA targets and Corporate Plan targets, and as a result the following will be supported through this programme:

- i) Ensure that all qualifying Council properties meet the Decent Homes Standard by the end of 2010 and beyond (National Indicator)
- ii) Increase the percentage of Private Sector homes meeting the Decent Homes Standard (Corporate Plan)
- iii) Empty Homes brought back in to use (Corporate Plan)
- iv) The number of affordable homes developed for those people excluded from the private housing market (National Indicator 155)
- v) Reduce CO₂ emissions for Leicester City Council as a whole (National Indicator 186)
- vi) Reduce Fuel Poverty (National Indicator 187)

4.6 In addition to the draft outlined capital programme attached, Members are also recommended to approve the use of any commuted sums realized in year for the acquisition of new affordable housing through either HomeCome or RSL's. This money can only be used for this purpose and therefore will help towards the Council's, and the Government's target for new affordable housing nationally, regionally and locally.

4.7 Although this report is about the allocation of resources, Members will appreciate that a number of the schemes proposed could have crime and disorder, equality and environmental implications. In putting the programme together, officers have been conscious of the opportunity that major investment offers in tackling these major issues and, therefore, schemes such as the uPVC Window and Door Replacement Programme, replacement of Central Heating Boilers, provision of Door Entry Systems, life time bathrooms, DFG's and Disabled Adaptations, Energy Efficiency measures and many more, have been included.

4.8 The decision to take advantage of Government grants for a new build programme will also increase the number of apprenticeships, create work for local labour and help to stimulate the local economy. It will also support the Investing in Skills and Enterprise theme under 'One Leicester'.

4.9 In considering the draft 2010/11 programme, outlined at Appendix 3, Members' attention is particularly drawn to the following provision:

£15.4m for New House Building (146 dwellings)
 £7m Kitchen and Bathroom modernisations,
 £2.3 million for rewiring properties,
 £3.2 million for replacing old inefficient boilers,
 £900k for Environmental Initiatives on Council estates,
 £800k for removing asbestos in tower blocks,
 £3.55 million for Disabled Adaptations and Disabled Facilities Grants (this is almost four and a half times the amount made available by Government for tackling disadvantage in peoples' homes),
 £1.896 million for Private Sector Decent Homes,
 £500k for Decent Homes Loan Scheme,
 £770k for Environmental and CRI Budgets for Community Associations,
 £300k for new and replacement Door Entry Systems,
 £440k for efficiency works in Council houses,
 £669k to support the redevelopment of the Exchange

£900k provision for Digital Television in high rise flats/maisonettes (second year of a two year Programme costing £1.8m overall)
£500k for a replacement radio system/mobile working solution following a successful pilot.

- 4.10 Provision has been included for the commencement of a new build programme of 146 dwellings. This is being funded by a combination of grant from Government and through Prudential Borrowing.
- 4.11 The Programme also includes £1.55m for DFG's and £2m for Disabled Adaptations. The DFG is less than officers would have liked but this is because of problems in funding following the drop in Housing Capital Receipts outlined above. However, it is recommended that this item be a top priority for any new receipts generated in year.
- 4.12 Provision has also been included to complete the programme to convert analogue television signals to digital in line with the Government's target of having the switch over complete in the Central area by 2011. This is the balance of a two year programme that started in 2009/10.
- 4.13 However, **in considering the proposals in the programme Members must consider them alongside the Equality Impact Assessment** and satisfy themselves that any decision does not disadvantage any group of people, or at least that adequate safeguards have been put in place to mitigate against the impact of the revised charge being applied.
- 4.14 Members will no doubt recall that, following extensive consultation with tenants' representatives across the City; the old Housing Committee agreed to provide funds to at the disposal of Community Associations.
- 4.15 It is recommended that a sum of £770,000 be set aside next year but £370k of this is to complete schemes approved in the current year. The remaining money will be used to tackle infrastructure issues on estates, i.e fencing/walls and hard and soft areas, which have been neglected over recent years with the push to achieve the Decent Homes Target.
- 4.16 Given that there are always more bids than resources available under this initiative, it is recommended that authority be delegated to the Divisional Director Housing Services in consultation with the Cabinet Lead Member for Housing to approve the bids.
- 4.17 In addition to this it is proposed to allocate £900k (£150k per area) to enable Area Managers to prepare and start delivering an environmental strategy in their areas. This will be linked to the work of the Ward Committees.

5. Decent Homes Target

- 5.1 The 2010/11 draft programme keeps the Council on target to deliver the Government's Decent Homes commitment by the end of 2010. However, as highlighted in previous reports this does not cover properties built after 1970, which will become 'non-decent' from 2011 onwards as a result of the Government's use of applying some age related criteria within its decent homes target e.g. Bathrooms are non-decent after 40 years,

wiring is non-decent after 30 years and kitchens are non-decent after 30 years. In addition, Structures are non-decent after 80 years, Roofs 60 years, Wall finishes 60 years, Chimneys 50 years, windows and doors 40 years and Boilers after 15 years. Therefore it will still be necessary to commit resources after 2010 to meet and maintain the Decent Homes target after 2010.

5.2 However, despite the Government's intention to cut resources for this work, and our ongoing commitment as outlined in 5.1 above, it is believed that we should still be able to meet the decent homes standard in all properties needing work between 2010 and 2015 provided other resources planned are available. Members will need to appreciate that this does not allow for every tenant to receiving a new kitchen **and** bathroom as the Decent Homes standard only requires one of them to be upgraded for the property to be declared decent, and the Council does not have enough resources available to do both.

6. Private Sector Housing Renewal Capital Programme 2010-11

6.1 This programme takes account of the shift to a "loan first" policy for the provision of financial assistance to vulnerable and low-income homeowners. Some support is needed to those owners taking up loans through meeting the loan set up costs and offering discounted loans to eligible homeowners in the Home Improvement Areas.

6.2 It is proposed that priority continues to be given to the Home Improvement Areas so that 70% of loans are targeted to those areas with 30% being made available citywide. Unfortunately due to the much-reduced allocation it will not be possible to provide any environmental works in Home Improvement Areas in 2010-11 and this will be reviewed on an annual basis.

6.3 An estimated 116 loans can be provided, with 80 in the Home Improvement Areas and 36 citywide. There are 76 approved grants and a further 20 new grants can be awarded. This means that will be possible to assist 212 households to bring their homes up to a decent standard.

6.4 In addition we will be able to provide advice and non-financial assistance to a further 500 homeowners citywide.

6.5 Given the reduced budget and the level of existing commitments there can be only limited options on the new starts programme. Continuing funding for Hot Lofts and not environmental works has been recommended because of the leverage that is possible, at the rate of 1:1, and because Hot Lofts is recognised as the most effective action we can take to contribute to the reduction of private sector domestic element of the city's CO2 emissions.

	£000	£000
Resources Available		3,858
<u>Commitments</u>		
Approved Discretionary Grants	487	
Disabled Facilities Grants	<u>1,300</u>	
Commitments Total		1,787
<u>New Starts</u>		

Disabled Facilities Grants	250	
Empty Homes and New Affordable Housing	100	
Improvements to Council Hostels	50	
Incremental Improvements achieved through DFG's	290	
Contributions to loans take up	200	
Provision of grants where loans not possible	178	
Hot Lofts	200	
		1,268
Other		
Capitalisation of Salaries		303
Loans		
Share of Regional Loans Fund		500
Total Housing General Fund Programme		3,858

7. **LEGAL IMPLICATIONS**

7.1 There are no legal implications associated with this report.

8. **OTHER IMPLICATIONS**

	<u>Yes/No</u>	
Equal Opportunities	Yes	Para's 4.7, 4.8, 4.9, 4.10, 4.11 & 4.13
Policy	Yes	Para 4.11 & 6.2
Sustainable & Environmental	Yes	Para 4.5, 4.7, 4.9 & 6.5
Crime & Disorder	Yes	Para 4.9
Human Rights Act	No	

9. **AIMS AND OBJECTIVES OF THE HOUSING SERVICE**

9.1 This report meets the Committee's overall Quality of Life Aim for the Department 'A decent home within the reach of every citizen of Leicester', and within that Key Objective 1 - To improve the condition of Leicester's housing stock and resolve unfitness in all sectors.

10. **LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985**

10.1 **Background Papers**

a) Capital Programme Booklet 2009/10

b) Joint report of the Corporate Director of Adults and Housing and the Chief Finance Officer on Capital Programme 2008/09 and 2009/14 to Cabinet on 26th January 2009 and Council on 29th January 2009.

11. CONSULTATION

11.1 All Services have been consulted through Senior Management Group. Tenants have also been consulted through the Housing Performance Panel as part of the Council's formal consultative procedures.

12. Report Author -
Dave Pate – Ext. 6801

Monitoring Report Period 7

Scheme	Approved Programme	Revised Programme	Actual to Period 7	Forecast Outturn	Notes
	£ 000s	£ 000s	£ 000s	£ 000s	
<u>Decent Homes Standard</u>					
Kitchens & Bathrooms	9,000	9,200	4,562	9,200	MRA brought forward from 2010/11 £1m
Rewiring	2,250	1,000	66	1,000	
Re-roofing / Re-guttering	335	335	216	300	
Central Heating Boilers	3,600	4,900	1,947	4,900	MRA brought forward from 2010/11 £1m
Structural Works	300	250	85	250	
Damp Proof Courses	0	50	22	50	
Window and Door Replacement	500	500	365	500	
New Central Heating	200	100	107	107	
District Heating	140	140	0	140	
St Peters Balconies	200	236	234	301	
	16,525	16,711	7,604	16,748	
<u>Other HRA Schemes</u>					
Porch & Comm Area doors & windows	325	325	0	325	
Sheltered Housing Improvements	150	287	77	287	Slippage of £137k for Rupert House
Energy Works (incl. boiler houses)	400	400	59	400	
Environmental Works	400	400	0	400	
Flat Roofs Over Shops	120	84	7	40	
Replacement Door Entry Phones	200	200	0	200	
Health & Safety Issues - alarms	300	300	14	300	
New Door Entry Systems	240	310	60	310	Slippage of £70k from 2008/09
Environmental Budgets - Community Asso	180	180	16	180	
CRI Community Assoc. Schemes	220	220	36	220	
Disabled Adaptations to Council Dwellings	2,000	1,800	316	1,800	
Service Improvements	240	240	0	240	
Replacement Radio System & Mobile Wkg	200	25	55	200	

Digital TV	900	900	30	900	
Beaumont Leys Core Area	0	100	0	100	Slippage from 2008/09
Housing PFI Business Case	120	0	0	0	Bid failed
Playground Equipment	50	75	0	75	£25k slippage from 2008/09
St Matthews Blocks	0	26	26	26	
Exchange Redevelopment	124	50	0	50	£74k rephasing to 2010/11
Care in the Community Alarms	230	255	0	255	£25k slippage from 2008/09 for Control Room
Cavity Wall Insulation	0	103	0	103	New Grant-Aided Scheme
Fees	30	30	0	30	
	6,429	6,310	696	6,441	
<u>Housing Revenue Account Total</u>	22,954	23,021	8,300	23,189	
<u>General Fund</u>					
Disabled Facilities Grants	1,280	1,288	1,141	1,288	
Renovation Grants	1,400	1,043	527	1,043	
Energy Efficiency Grants	200	150	3	150	
Environmental Works in Renewal Areas	250	150	52	150	
Home Repair Grants	350	330	45	330	
Capitalisation of Salaries	400	400	257	400	
Empty Homes & Aff Housing - RSL's	50	110	23	110	£60k slippage for Batch 1 sites
New Deal Training Scheme	30	0	0	0	
SHED project	0	44	35	44	Grant funded
Improvements to Council Hostels	30	77	48	77	
Energy Initiative Programme	100	740	622	740	
Wind Turbine Consultants	135	0	0	0	
Decent Homes - Loans	0	50	0	50	Subject to funding approval
Fees	25	25	7	25	
<u>General Fund Total</u>	4,250	4,407	2,760	4,407	
<u>TOTAL</u>	27,204	27,428	11,060	27,596	
<u>Less Over-programming</u>	(959)	0	0	0	
<u>PROGRAMME TOTAL</u>	26,245	27,428	11,060	27,596	

ESTIMATED RESOURCES AVAILABLE TO SUPPORT THE HOUSING CAPITAL PROGRAMME 2009/2015

Appendix 2

	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015
	Anticipated	Estimated	Estimated	Estimated	Estimated	Estimated
	Resources	Resources	Resources	Resources	Resources	Resources
	000'	000'	000'	000'	000'	000'
<u>HIP ALLOCATION/SINGLE CAPITAL POT</u>						
Housing (ACG)/Single Capital Pot	7630	6927	1427	1427	1427	1427
Major Repairs Allowance (MRA)*	13333	11420	13420	13420	13420	13420
Major Repairs Allowance (MRA)* B/F	2000	1824	0	0	0	0
Specified Capital Grant (SCG)	751	743	743	743	743	743
Decent Homes Loan Scheme	<u>50</u>	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>
	23764	21414	16090	16090	16090	16090
<u>Plus Capital Receipts</u>						
Sale of Council Assets - Property and Land	900	1000	1100	1300	1500	1500
Capital Receipts b/f	0	88	0	0	0	0
<u>Plus Capital Expenditure Charged to Revenue Account (CERA)</u>						
Use of Housing DSO Profits/Balances	0	700	300	0	0	0
Use of Housing/DSO Balances	2519	550	950	925	1075	1500
<u>Plus Unsupported Credit Approval</u>						
Prudential Borrowing - General	1558	1662	1982	2135	2283	2412
Prudential Borrowing - New Build	0	8333	0	0	0	0
<u>Plus Other Resources</u>						
New Build Challenge Fund	0	7071	0	0	0	0
Cavity Wall Insulation Programme	147	240	0	0	0	0
Loft Insulation Programme – Match Funded by Public Utilities	<u>620</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>200</u>
	29508	41158	20522	20550	21048	21702

HOUSING CAPITAL PROGRAMME 2009/2015

Appendix 3

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
HRA SCHEMES	Anticipated	Planned	Planned	Planned	Planned	Planned
	£m	£m	£m	£m	£m	£m
2. HRA 2010 DECENCY TARGET						
Renewing/Remodelling Kitchens & Bathrooms	9.200	7.000	7.000	7.000	7.000	7.250
30 year+ Rewiring	1.000	2.300	2.000	2.000	2.100	2.500
Re-roofing/Re-guttering	0.300	0.400	0.200	0.200	0.200	0.200
Energy Efficiency Work incl. Central Heating Boilers	4.900	3.200	2.500	3.125	3.495	3.400
St Peters Balconies	0.301	0.000	0.000	0.000	0.000	0.000
Structural Works	0.300	0.300	0.200	0.165	0.200	0.200
New Central Heating Installations	0.107	0.100	0.100	0.100	0.100	0.100
St. Matthews District Heating Scheme	0.140	0.100	0.000	0.000	0.000	0.000
	16.248	13.400	12.000	12.590	13.095	13.650
3. Other HRA Schemes						
Removal of Asbestos from Tower Blocks & Remodelling Goscote Hse	0.026	0.800	0.400	0.100	0.000	0.000
Porch & Communal Area Doors and Windows Replacement Programme	0.825	0.750	0.500	0.300	0.300	0.300
Environmental Works - fences, outbuildings etc	0.400	0.900	0.900	0.900	0.900	0.900
Flat Roofs over Shops and Shop Precincts	0.040	0.300	0.247	0.186	0.185	0.170
Replacement of Door Entry Phones	0.200	0.200	0.200	0.100	0.100	0.110
Health and Safety Issues incl targetted alarms & Tank repl.	0.300	0.300	0.200	0.200	0.200	0.200
New Door Entry Systems	0.310	0.100	0.000	0.000	0.000	0.000
Fees	0.030	0.030	0.030	0.030	0.030	0.036
Sheltered Housing Improvements	0.287	0.200	0.100	0.100	0.100	0.100
Energy Works incl converting boiler houses	0.400	0.200	0.200	0.200	0.200	0.200
Environmental Budgets allocated to Community Associations	0.180	0.180	0.180	0.180	0.180	0.180
CRi – Community Association Schemes incl WIP	0.220	0.590	0.220	0.220	0.220	0.220
Beaumont Leys Core Area	0.100	0.000	0.000	0.000	0.000	0.000
Redeveloping the Exchange	0.050	0.669	0.000	0.000	0.000	0.000
Care in the Community - Alarm System	0.255	0.255	0.037	0.030	0.030	0.050
Disabled Adaptations to Council dwellings	1.800	2.000	2.000	1.800	1.700	1.700
Service Improvements	0.240	0.100	0.100	0.100	0.100	0.100
Digital Television	0.900	0.900	0.000	0.000	0.000	0.000

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
3. Other HRA Schemes (continued)	Anticipated	Planned	Planned	Planned	Planned	Planned
Replacement Radio System & new Mobile Working solution	0.200	0.500	0.000	0.000	0.000	0.000
New Build Programme – Challenge Fund Phase 1 (93 dwellings)	0.000	9.094	0.000	0.000	0.000	0.000
New Build Programme – Challenge Fund Phase 2 (53 dwellings)	0.000	6.310	0.000	0.000	0.000	0.000
Cavity Wall Insulation Programme	0.103	0.240	0.000	0.000	0.000	0.000
Play Equipment	0.075	0.050	0.050	0.050	0.050	0.050
Other HRA Schemes Total	6.941	24.668	5.364	4.496	4.295	4.316
HRA Total	23.189	38.068	17.364	17.086	17.390	17.966
GENERAL FUND EXPENDITURE						
4. SCG/GF Commitments						
Mandatory Disabled Facilities Grants	1.288	1.550	1.500	1.700	1.900	1.900
Renovation Grants in Renewal Areas/ Home Improvement Areas	1.043	0.000	0.000	0.000	0.000	0.000
SCG/GF Commitments Total	2.331	1.550	1.500	1.700	1.900	1.900
5. SCG/GF New Starts Programme						
Energy Efficiency Grants (DFG's & Renewal Areas)	0.150	0.000	0.000	0.000	0.000	0.000
Environmental Works in Renewal Areas/Home Improvement Areas	0.150	0.000	0.000	0.000	0.000	0.000
Home Repair Grants (incl. City Wide Home Mtnc Scheme and Care & Repair)	0.330	0.000	0.000	0.000	0.000	0.000
Private Sector Decent Homes (incl capitalisation of salaries & fees)	0.000	1.593	1.587	1.687	1.690	1.608
SCG/GF New Starts Programme	0.630	1.593	1.587	1.687	1.690	1.608
SCG/GF Total	2.961	3.143	3.087	3.387	3.590	3.508
6. Other GF Commitments						
Fees	0.025	0.000	0.000	0.000	0.000	0.000
Capitalisation of salaries	0.400	0.000	0.000	0.000	0.000	0.000
Other GF Commitments Total	0.425	0.000	0.000	0.000	0.000	0.000
7. Other General Fund New Starts Programme						
SHED Project	0.044	0.000	0.000	0.000	0.000	0.000
Empty Homes and New Affordable Housing via RSL's and HomeCome	0.110	0.100	0.050	0.050	0.050	0.050
New Deal Training Scheme	0.000	0.000	0.000	0.000	0.000	0.000
Decent Homes Loans Scheme	0.050	0.500	0.500	0.500	0.500	0.500

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
	Anticipated	Planned	Planned	Planned	Planned	Planned
Improvements to Council Hostels	0.077	0.050	0.065	0.075	0.079	0.065
Energy Initiative Programme	0.740	0.200	0.200	0.200	0.200	0.400
Other General Fund New Starts Total	1.021	0.850	0.815	0.825	0.829	1.015
Other General Fund Total	1.446	0.850	0.815	0.825	0.829	1.015
OVERALL GENERAL FUND TOTAL	4.407	3.993	3.902	4.212	4.419	4.523
PROGRAMME TOTAL	27.596	42.061	21.266	21.298	21.809	22.489
Less Overprogramming (3.5%)	0.000	0.903	0.744	0.748	0.761	0.787
TOTAL HOUSING CAPITAL PROGRAMME	27.596	41.158	20.522	20.550	21.048	21.702
Estimated Resources	29.508	41.158	20.522	20.550	21.048	21.702

Equality Impact Assessment

Name and date of meeting	Cabinet 25 th January 2010
Title of Report	Housing Capital Programme 2009/10 and 2010/15
Lead Officer	Dave Pate
Date of EIA	22nd December 2009

1.	Who are the customers or stakeholders affected by the recommendations of this report?
<p>Tenants Residents Leaseholders Owner Occupiers Tenants and Residents Associations Disabled People Members Housing Services Division Housing Strategy and Options Division Community Care Services Personalisation and Business Support Division Older People's Services Strategy, Commissioning, Performance and Business Support Other Divisions Contractors Housing Support Providers Education Establishments</p>	

2a.	What are the expected positive impacts that customers or stakeholders will receive as a result of the recommendations of this report?
<p>Overall the investment in housing in Leicester by the Housing Capital Programme has a very positive impact on tenants and residents. It means that homes are being modernised to meet the Decent Homes Standard, energy efficiency targets are being met and security and estate improvement measures are put in place.</p>	
b.	Are there any differential outcomes between different diversity groups arising from the implementation of the report's recommendations? Which groups benefit, and which do not?
<p></p>	

There are some differential outcomes for equality groups, although all groups benefits from initiatives such as:

- New house building
- Modernising council properties
- Private sector decent homes through home improvement, repair and energy efficiency grants
- Environmental budgets for community associations
- Door entry systems
- Loft insulation and other energy works
- New central heating systems
- Provision for Digital Television in high rise properties
- Replacement radio/mobile working system
- Adaptation works for disabled people

Age - Investment in housing in the City benefits people from all age groups. Some older tenants particularly benefit from the investment in initiatives such as improvements to sheltered schemes, lifetime bathrooms, disabled adaptations to council houses, Disabled Facilities Grants (DFGs), community care alarm system and other projects in their locality supported by the Capital Programme. The use of commuted sums will also allow housing providers to meet the needs of people needing wheelchair accessible housing by developing appropriate units in the City.

Disability – Investment in housing benefits all people, including disabled people. DFGs assist people to live independently in their own homes. Some disabled people will particularly benefit from the lifetime bathroom programme, disabled adaptations to council houses and care in the community alarm systems. The use of commuted sums will also allow housing providers to meet the needs of people needing wheelchair accessible housing by developing appropriate units in the City.

Although many disabled people are able to get adaptations in their homes, the number of people who will be able to access DFGs in the future will decrease as funding has been reduced. This is due to the reduction in capital receipts as council house sales have gone down. This will mean that the service will be unable to meet the needs of some disabled people who need adaptations in their own homes in the short and possibly longer-term..

Gender - Investment in housing in the City benefits all tenants and residents. People facing harassment or fleeing domestic violence may particularly benefit from community care alarm systems, other security systems and improvements to hostels. The use of commuted sums will also allow the development of accommodation for those in need where there is not enough appropriate housing.

Race - Investment in housing in the City benefits all tenants and residents. Investment has been made in the City to develop suitable housing for people in housing need. This includes large family accommodation, which has been

identified as a housing need for some BME households in the City. Improvements to security systems, estates and hostels will assist people experiencing racial harassment. The use of commuted sums will also allow the development accommodation for those in need where there is not enough appropriate housing.

Religion/belief - Investment in housing in the City benefits all tenants and residents. The use of commuted sums will also allow the development of accommodation for those in need where there is not enough appropriate housing.

Sexual orientation - Investment in housing in the City benefits all tenants and residents. The use of commuted sums will also allow the development of accommodation for those in need where there is not enough appropriate housing.

c.	If there are differential outcomes between different diversity groups, how can the outcomes be made more equitable for all diversity groups?
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For all groups the reduction in capital receipts has resulted in a decrease in funds available for all initiatives, in comparison to previous years. .

The main equality issue identified is the significant reduction in DFGs due to the drop in Right to Buy sales. Equality Monitoring of people receiving DFG's shows:

The majority of recipients in 2006 to 2008 were between the ages of 65 and 85+ years old.

59% of the recipients were female in 2007

Approximately 50% of the recipients were Asian and 50% were from a White background over the last two years. The Asian population of the City is approximately 30%, therefore the percentage of Asian people receiving DFGs is significantly higher than the City average.

The demand for DFGs is growing and with reduced funding proposed for DFGs there could be a backlog of cases of approximately 1500 by 2013/14. This is an estimated figure that does not take into account any allowance for growth in demand. This will mean that we are not able to meet the needs of some disabled people who need adaptations in their homes to enable them to live independently. This will also impact on how the Council meets the Disability Equality Duty as outlined in the Disability Discrimination Act 2005. The Duty requires all public authorities to promote equality of opportunity for disabled people.

The Council needs to look into finding alternative sources of funding for DFG's to meet the needs of disabled people in the City. The Programme includes £1.55m for DFG's and £2m for Disabled Adaptations although both these amounts are augmented by expenditure under other headings in the capital programme (e.g the Kitchen and Bathroom Programme). The DFG budget is less than officers would like but is restricted by the resources available, however, it is recommended that this item be a top priority for any new housing receipts generated in year, which should help to relieve some of the pressure on demand.

3a.	What are the potential negative/adverse impacts that customers or stakeholders could receive as a result of the recommendations of this report?
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For all groups the reduction in capital receipts has resulted in a decrease in funds available for all initiatives, in comparison to previous years. The area most affected is DFGs, which will mean that the service will not be able to meet the needs of some disabled people who need adaptations in their homes.

b.	Which diversity groups would be affected? How would they be
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	affected?
Disabled people would not be able to get all the adaptations they need in their own homes.	
c.	How can these negative impacts be reduced or removed? What is your action plan?
All Housing Divisions need to ensure that information about services is accessible and service users through the Housing Performance Panel are involved in shaping how Capital Programmes initiatives are implemented.	
Any new housing money generated to be used to support DFGs and the Council to look into alternative sources of funding for DFGs.	

Equality Strand/ Activity	Action Required	Outcome for Service	Measures required	Lead Officer (Service Manager)	Timescale
For all Equality Strands	Review information about housing services and make changes where necessary to ensure it is accessible to all groups.	Information about housing services is accessible to people from different backgrounds.	% increase in tenants and residents from all groups aware of services provided.	All housing divisions	Ongoing
	Ensure that tenants and residents through the Housing Performance Panel are involved in shaping how capital programme initiatives are implemented in the next 5 years.	Initiatives meet the needs of tenants and residents.	% of people satisfied with services.	All housing divisions	Ongoing
	Any new housing money generated to be used to support DFGs.	Meet the needs of disabled people wishing to live independently in their own homes.	% of grants paid.	All housing divisions	Ongoing
	The Council to	Meet the needs of	% of grants	All	Ongoing

	look into alternative sources of funding for the DFG.	disabled people wishing to live independently in their own homes.	paid.	Housing Divisions	
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