

Leicester
City Council

WARDS AFFECTED
All Wards

HOUSING PERFORMANCE PANEL
OSMB
CABINET
COUNCIL

17th DECEMBER 2010 & 11TH JANUARY 2011
13th JANUARY 2011
17th JANUARY 2011
27th JANUARY 2011

HOUSING CAPITAL PROGRAMME 2010/11 and 2011/12

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 2010/11 out-turn and proposes a one year housing capital programme for 2011/12, because of the uncertainty around housing finance at the present time, for Members approval.

2. SUMMARY AND RECOMMENDATIONS

- 2.1 This report reviews the current years approved Housing Capital Programme and recommends a programme for 2011/12.
- 2.2 The Housing Capital Programme, if approved, shows a substantial reduction in resources available between 2010/11 and 2011/12. However, in putting the programme together officers have tried to support the Council's 'One Leicester' vision by investing in Thriving Safer Communities, delivering Health and Well Being, contributing to Reducing our Carbon Footprint, Investing in our Children and Investing in Skills and Enterprise. Although the Council has succeeded in meeting the Decent Homes target for those properties qualifying by the 31st December 2010, it is regrettable to say that because of the reduction in capital investment the Council will start to fall behind its target in 2011/12 and if additional resources are not found in successive years also.
- 2.3 The **Cabinet** is asked to consider the report and any comments from the Housing Performance Panel and OSMB and recommend Council to:-
- (i) approve the revised programme, outlined in Appendix 1, for 2010/11 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 in 2011/12;
- (iv) consider the Equality Impact Assessment appended to this report;
- (v) approve the Housing Capital Programme for 2011/12 outlined at Appendix 3 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;
- (vi) agree to delegate authority to the Divisional Director of Housing Services, in consultation with the Chief Finance Officer and the Cabinet Lead for Housing to vary the programme and the use of Prudential Borrowing should the new Housing Finance System make this source of financing 'unprudential';
- (vii) agree to delegate authority to the Divisional Director Housing Services in consultation with the Lead Cabinet Member for Housing to determine the most appropriate use for any new housing capital receipts generated in year to support the Housing Capital 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 via the Council's scheme of Affordable Rent Grant.
- (ix) note that the 2011/12 Programme will be reviewed during the financial year; and
- (x) delegate to the Area Managers', in consultation with the Ward Committees', authority to approve bids under the Environmental Ward Budget.

3. FINANCIAL IMPLICATIONS Graham Troup, Principal Accountant (HRA), ext 29-7425

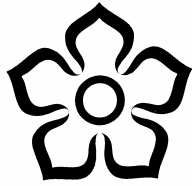
3.1 The current year's programme shows a revised spend of £37.802m, which can be financed from the available resources while allowing the following resources to be carried forward to 2011/12 to fund slippage or new schemes:-

	<u>£000</u>
Major Repairs Allowance (MRA)	295
Prudential Borrowing already approved for	800
HRA new build	
Usable Capital Receipts	<u>880</u>
	1,975

3.2 Officers have also put together a capital programme for 2011/12 with the programmed spend of £23.130m being equal to the estimated financing resources for the year.

These resources include £4m of new HRA prudential borrowing. If approved, the revenue costs of this borrowing, at current interest rates, will be £60k in 2011/12, £280k in 2012/13 and then reducing in subsequent years as principal repayments reduce the outstanding debt. These costs are included in the HRA 2011/12 Budget report, which also includes the required Prudential Indicators showing, subject to the comments below, that the revenue costs are affordable and sustainable.

- 3.3 With the likely introduction of a new HRA finance system in 2012/13 to replace the current subsidy system, the use of prudential borrowing in 2011/12 does carry a greater risk than usual. However, as noted in paragraph 4.2 of the Supporting Information to this report, the revenue costs are relatively small in the context of the overall HRA and the Capital Programme and associated financing resources will be reviewed once the details of the new system are known, with a view to slowing down or stopping schemes if necessary.
- 3.4 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.
- 3.5 Also, the HRA has 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	17th DECEMBER 2010 & 11th JANUARY 2011
OSMB	13th JANUARY 2011
CABINET	17th JANUARY 2011
COUNCIL	27th JANUARY 2011

HOUSING CAPITAL PROGRAMME 2010/11 and 2011/12

SUPPORTING INFORMATION

1. The 2010/11 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 2010.

- 2.1 The actual expenditure to the end of October 2010 is £14.030m and again this is detailed in Appendix 1. This equates to c37% of the revised programme. At the same stage last year c40% 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 2011/12 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 2010/11 programme will be as follows:

	<u>2010/2011</u> <u>Estimated</u> <u>Resources</u>	<u>2010/2011</u> <u>Anticipated</u> <u>Resources</u>
	<u>£000</u>	<u>£000</u>
<u>HIP ALLOCATION/SINGLE CAPITAL POT</u>		
Housing (ACG)/Supported Capital Expenditure/Regional Hsg Pot	6927	6927
Major Repairs Allowance (MRA)	11420	11420
Major Repairs Allowance B/F	1824	1909
DFG Allocation	743	820
Decent Homes Loans Scheme	500	0
	-----	-----
	21414	21076
<u>Plus Capital Receipts</u>		
Sale of Council Assets - Property and Land incl b/f	1088	1977
<u>Plus Capital Expenditure charged to Revenue Account (CERA)</u>		
Use of Housing/DSO Profits	700	700
Use of Housing/DSO Balances	550	550
<u>Plus Prudential Borrowing Approval</u>		
Prudential Borrowing Framework - General	1662	0
Prudential Borrowing Framework – New Build	8333	7533
<u>Plus Other Funding</u>		
New Build Challenge Fund	7071	7071
Loft Insulation Programme -Match funding from Public Utilities	100	0
Cavity Wall Insulation Scheme	240	0
Mental Health CEG	0	70
	-----	-----
	41,158	38,977

3.3 The latest updated programme, outlined at Appendix 1, shows an estimated spend of £37.802 million, which will leave £1.175m available to fund slippage from 2010/11 into 2011/12 and new schemes. In addition, there will be £800k of approved prudential borrowing being rolled forward to fund slippage on the New Build programme. The revised 2010/11 programme is recommended to Members for approval.

4. THE 2011/12 PROGRAMME

4.1 As anticipated in last years report the Government has substantially reduced the resources earmarked for the Decent Homes Programme and in the case of Leicester pulled the resources altogether. However, despite pressure on the Council's Capital Programme Cabinet is recommended to agree the following resources for housing:

	<u>2010/2011</u> <u>Anticipated</u> <u>Resources</u>	<u>2011/2012</u> <u>Estimated</u> <u>Resources</u>
	<u>£000</u>	<u>£000</u>
<u>HIP ALLOCATION/SINGLE CAPITAL POT</u>		
Housing (ACG)/Supported Capital Expenditure/Regional Hsg Pot	6927	0
Major Repairs Allowance (MRA)	11420	13512
Major Repairs Allowance B/F	1909	295
DFG Allocation	820	820
Decent Homes Loan Scheme	0	500
	21076	15127
<u>Plus Capital Receipts</u>		
Sale of Council Assets - Property and Land incl b/f	870	1081
Capital Receipts b/f	1107	880
<u>Plus Capital Expenditure charged to Revenue Account (CERA)</u>		
Use of Housing/DSO Reserves	700	0

Use of Housing/DSO Balances	550	1000
<u>Plus Prudential Borrowing Approval</u>		
Prudential Borrowing Framework - General	0	4000
Prudential Borrowing Framework – New Build	7533	800
<u>Plus Other Resources</u>		
New Build Challenge Fund	7071	0
Loft Insulation Programme -Match funding from Public Utilities	0	50
Mental Health CEG	70	0
Transfer of assets linked to developing an ESCO	0	12
Eyres Monsell Redevelopment Covenant Release	0	180
	-----	-----
	38,977	23,130

- 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. However this is not without risk as the Government plans to bring in a new housing finance system in 2012 or 2013 at the latest. Prudential Borrowing allows councils to borrow against future revenue streams. Although there is always an element of uncertainty in revenue resources, officers' believe that the revenue cost (£60k in the first year and then a maximum of £280k in the second year but reducing in subsequent years) of borrowing a further £4m can be contained in the resources available. This is because
- i) the cost is relatively small in comparison with the overall size of the HRA
 - ii) the expenditure will reduce demand for day-to-day repairs
 - iii) the savings already built into the HRA for 2011/12 onwards
 - iv) the ability to slow down or stop schemes later on in the financial year should the situation be substantially worse than expected when the new housing finance system is announced by the Government later this year.
- 4.3 Although this might mean reducing resources for future ongoing maintenance items should the new housing finance system be worse than the current system.
- 4.4 The benefit of accessing Prudential Borrowing is that it first of all allows the Council to meet its Decent Homes commitment to tenants and second, 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.
- 4.5 The estimated level of resources shown in Appendix 2 would result in the draft programme outlined at Appendix 3.
- 4.6 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 2011/12 programme, where possible. Officers have also been conscious of how the Housing Capital Programme can be used to directly support the 'One Leicester' vision, and as a result the following will be supported through this programme:

- i) Ensure that as many properties as possible are brought up to the Decent Homes Standard by the end of 2011/12 (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)

4.7 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.

4.8 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/or 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.

4.9 In considering the draft 2011/12 programme, outlined at Appendix 3, Members' attention is particularly drawn to the following provision:

£800k for completion of the New House Building Programme (146 dwellings)
 £6.1 million Kitchen and Bathroom modernisations,
 £1.5 million for rewiring properties,
 £3.2 million for replacing old inefficient boilers,
 £900k for Environmental Initiatives on Council estates,
 £780k for removing asbestos in tower blocks,
 £3.362 million for Disabled Adaptations and Disabled Facilities Grants (this is four times the amount made available by Government for tackling disadvantage in peoples' homes),
 £500k for Decent Homes Loan Scheme,
 £300k for replacing and upgrading Door Entry Systems,
 £310k for Health and Safety works in Council houses,
 £905k for Energy Efficiency initiatives and work linked to establishing an ESCO,
 £500k for a replacement radio system/mobile working solution following a successful pilot (delayed from 2010/11).

4.10 Provision has been included for the completion of a new build programme of 146 dwellings. This was funded by a combination of grant from Government and through Prudential Borrowing.

- 4.11 The Programme also includes £1.962m for DFG's and £1.4m 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 resources outlined above.
- 4.12 In addition it is proposed to allocate £900k (£150k per area) to enable Area Managers to deliver on an environmental strategy in their areas linked to employment opportunities. This will once again be developed in conjunction with the Ward Committees. Although no separate provision has been included for TARA's in next years programme it is proposed that they become more actively involved in and bid under the Ward Committees Budget.
- 4.13 Given the pressure of the overall programme Cabinet is asked to agree to delegate authority to the Divisional Director Housing Services in consultation with the Lead Cabinet Member for Housing to determine the most appropriate use for any new housing capital receipts generated in year to support the Housing Capital Programme.

5. Public Sector Decent Homes Target

- 5.1 The 2010/11 programme saw the Council deliver on the Government's Decent Homes target and its own commitment to tenants. 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 policy 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 in 2011/12 onwards to meet and maintain the Decent Homes target in the future.

6. Private Sector Housing Renewal Capital Programme 2011-12

- 6.1 This programme takes account of the agreed shift to a "loan first" policy for the provision of financial assistance to vulnerable and low-income homeowners. These loans will be targeted in support of Adult Social Care's 'prevention' agenda to assist people to remain living independently in their own homes. It is anticipated that approximately 100 loans will be made available under this scheme. This will be the only form of financial assistance available to vulnerable and low-income homeowners during 2011-12.
- 6.2 As part of the comprehensive spending review, the Government announced that it would no longer support the private sector decent homes programme. With no allocation of funds it will not be possible to maintain the Home Improvement Area programme of area-based action. This will mean ending the existing declared Home Improvement Areas (Swainson Road, Abbey Lane North, Windsor Avenue, Halifax Drive and Belgrave Village Home Improvement Areas). All 'live' cases that are currently being worked on have had grants approved and these will be honored and paid. However, there are 73 other cases where grant enquiry forms have been received but have not started to be dealt with as yet. Regrettably, there will be no funds to provide financial assistance to these people.

- 6.3 When the private sector housing strategy started in 1976, a programme of 53 Improvement Zones was drawn up with the intention that all would benefit from area based action at some point, as funds allowed. There are still 21 of the original Improvement Zones that have not had the benefit of area based action, three of which had been identified in 2007 as the next to be worked on. These were the Catherine Street North, Crown Hills and Westcotes Central Improvement Zones. It will no longer be possible to continue the programme.
- 6.4 The waiting list for our citywide home maintenance services has reached 343 cases. All 'live' cases that are currently being worked on have had grants approved and these will be paid. There will be no funds to provide financial assistance to these people.
- 6.5 Another strand of the citywide home maintenance services is the provision of technical advice and other assistance, such as signposting/referral to other relevant funding agencies. That part of the service will continue and will mitigate, to some extent, the loss of more general financial assistance.
- 6.6 Funding for Hot Lofts is 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 target.

7. EQUALITY IMPACT ASSESSMENT

- 7.1 **In considering the proposals in this report and particularly the planned spend programme, Members must consider them alongside the Equality Impact Assessment outlined at Appendix 4(i) & (ii) and satisfy themselves that any decision taken does not disadvantage any group of people, or at least that adequate safeguards have been put in place to mitigate, as far as possible, against the effects of any decision taken.**

8. LEGAL IMPLICATIONS - Joanna Bunting x6450

- 8.1 There are no legal implications associated with this report.

9. OTHER IMPLICATIONS

	<u>Yes/No</u>	
Equal Opportunities	Yes	Para's 4.6, 4.7, 4.8, 4.9, 4.10, 4.11 & 7.1
Policy	Yes	Para 4.2, 4.7 & 6.1 – 6.6
Sustainable & Environmental	Yes	Para 4.8, 4.12 & 6.6
Crime & Disorder	Yes	Para 4.9
Human Rights Act	No	

10. AIMS AND OBJECTIVES OF THE HOUSING SERVICE

- 10.1 This report meets the Service's overall Quality of Life Aim of '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.

11. LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

11.1 Background Papers

- a) Capital Programme Booklet 2010/11
- b) Joint report of the Divisional Director of Housing Services and the Chief Finance Officer on Housing Capital Programme 2009/10 and 2010/15 to Cabinet on 25th January 2010 and Council on 28th January 2010.

12. CONSULTATION

- 12.1 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.

- 13. Report Author -**
Dave Pate – Ext. 8222

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	7,000	6,475	3,381	6,474	
Rewiring	2,300	2,100	269	1,300	
Re-roofing / Re-guttering	400	400	2	400	
Central Heating Boilers	3,200	3,200	1,413	3,200	
Structural Works & DPCs	300	300	226	300	
New Central Heating	200	200	192	400	
	14,150	13,425	5,550	12,074	
<u>Other HRA Schemes</u>					
Windows, Doors & Porch Replacements	200	408	9	580	
Energy Works (incl. boiler houses)	200	200	73	200	
Environmental Works	900	1100	0	839	
Flat Roofs Over Shops	300	300	14	50	
Replacement Door Entry Phones	200	200	192	200	
Health & Safety Issues - alarms	300	300	43	400	
New Door Entry Systems	100	100	0	396	
Environmental Budgets - Community Asso	180	194	6	194	
CRI Community Assoc. Schemes	590	605	160	530	
Disabled Adaptations to Council Dwellings	2,000	2,000	753	1,900	
Service Improvements	100	62	41	100	
Replacement Radio System & Mobile Wkg	500	500	31	50	Slipped into 2011/12
Digital TV	900	900	505	1300	
Beaumont Leys Core Area	0	79	79	79	
Playground Equipment	50	50	0	50	
Exchange Redevelopment	669	719	5	49	
Care in the Community Alarms	255	280	46	230	

Cavity Wall Insulation	240	240	0	0	
Fees	30	30	0	30	
Sheltered Housing Improvements	200	200	0	408	
Amalgamation of CCTV Centres	0	0	0	125	
Flat Conversion Scheme Mental Health	0	70	70	70	
New Build Challenge Fund Phase 1	9,094	9,094	3,707	9,094	
New Build Challenge Fund Phase 2	6,310	6,310	1,269	5,510	
	23,918	9,137	6,994	22,384	
Housing Revenue Account Total	38,068	39,945	12,544	34,458	
General Fund					
Disabled Facilities Grants	1,550	2,010	907	1,600	£550k Slippage into 2011/12
Private Sector Decent Homes	1,593	1,593	476	1,475	£118k Slippage into 2011/12
Energy Initiative Prog & Efficiency Grants	0	0	3	102	
Environmental Works in Renewal Areas	0	8	0	8	
Empty Homes & Aff Housing - RSL's	100	100	100	100	
Improvements to Council Hostels	50	59	0	59	
Decent Homes - Loans	500	500	0	0	
Fees	25	25	7	0	
General Fund Total	3,793	4,270	1,486	3,344	
TOTAL	41,861	42,236	14,030	37,802	
Less Over-programming	(903)	0	0	0	
PROGRAMME TOTAL	40,958	42,236	14,030	37,802	

ESTIMATED RESOURCES AVAILABLE TO SUPPORT THE HOUSING CAPITAL PROGRAMME 2010/2012

		2010/2011	2011/2012
	Usable By	Anticipated	Estimated
		Resources	Resources
		£000'	£000'
HIP ALLOCATION/SINGLE CAPITAL POT			
Housing (ACG)/Single Capital Pot	HRA/HGF	6,927	0
Major Repairs Allowance (MRA)*	HRA	11,420	13,512
Major Repairs Allowance (MRA)* B/F	HRA	1,909	295
Specified Capital Grant (SCG)	HGF	820	820
Decent Homes Loan Scheme	HGF	0	500
		21,076	15,127
Plus Capital Receipts			
Sale of Council Assets - Property and Land	HGF/HRA	870	1,081
Capital Receipts B/F	HGF/HRA	1,107	880
Plus Capital Expenditure Charged to Revenue Account (CERA)			
Use of Housing DSO Balances	HRA	700	0
Use of Housing Balances	HRA	550	1000
Plus Unsupported Credit Approval			
Prudential Borrowing - General	HRA	0	4,000
Prudential Borrowing - New Build	HRA	7,533	800
Plus Other Resources			
Resources from Developing an ESCO	HRA	0	12
Eyres Monsell Redevelopment Payment for Covenant Release	HRA	0	180
New Build Challenge Fund	HRA	7,071	0
Cavity Wall Insulation Programme	HRA	0	0
Contribution from Mental Health Service	HRA	70	0
Public Utilities Contribution to Energy Initiatives	HGF	0	50
		38,977	23,130

HOUSING CAPITAL PROGRAMME 2010/2012

Appendix 3

	2010/11	2011/12
<u>HRA SCHEMES</u>	Anticipated	Planned
	Outturn	Programme
	£m	£m
2. HRA MAINTAINING THE DECENCY STANDARD		
Renewing/Remodelling Kitchens & Bathrooms	6.474	6.085
30 year+ Rewiring	1.300	1.100
Re-roofing/Re-guttering	0.400	0.350
Energy Efficiency Work incl. Central Heating Boilers	3.200	3.200
Structural Works	0.300	0.300
New Central Heating Installations	0.400	0.100
District Heating Scheme Initiatives linked to ESCO	0	0.520
	12.074	11.655
3. Other HRA Schemes		
Removal of Asbestos from Tower Blocks & Remodelling Goscote Hse	0	0.780
Porch & Communal Area Doors and Windows Replacement Programme	0.580	0.420
Environmental Works - fences, outbuildings etc	0.839	0.900
Flat Roofs over Shops and Shopping Precincts	0.050	0.200
Replacement of Door Entry Phones	0.200	0.300
Health and Safety Issues incl targetted alarms & Tank repl.	0.400	0.310
Replacement Radio System & new Mobile Working solution	0.050	0.500
New Door Entry Systems	0.396	0.000
Fees	0.030	0.030
Sheltered Housing Improvements	0.408	0.070
Energy Works incl converting boiler houses	0.200	0.200
Environmental Budgets allocated to Community Associations	0.194	0.000
CRI – Community Association Schemes	0.530	0.040
Redeveloping the Exchange	0.049	0.100
Care in the Community - Alarm System	0.230	0.040
Disabled Adaptations to Council dwellings	1.900	1.400
Service Improvements and transformation Programme	0.100	0.700
Digital Television	1.300	0.000
New Build Programme - Challenge Fund Phase 1 (93 Dwellings)	9.094	0.000
New Build Programme - Challenge Fund Phase 2 (53 Dwellings)	5.510	0.800
Cavity Wall Insulation & other Energy Efficiency Measures	0.000	0.385

Play Equipment	0.050	0.050
Redundancy Payments under CSR	0.000	1.000
Beaumont Leys Core Area	0.079	0
Amalgamation of CCTV Centres	0.125	0
Flat Conversion Scheme (Mental Health)	0.070	0
Other HRA Schemes Total	22.384	8.225
HRA Total	34.458	19.880
5. SCG/GF Commitments		
Mandatory Disabled Facilities Grants	1.600	1.962
SCG/GF Commitments Total	1.600	1.962
6. SCG/GF New Starts Programme		
Private Sector Decent Homes (incl capitalisation of salaries and fees)	1.475	0.593
SCG/GF New Starts Programme	1.475	0.593
SCG/GF Total	3.753	2.555
8. Other General Fund New Starts Programme		
Empty Homes and New Affordable Housing via RSL's and HomeCome	0.100	0.050
Decent Homes Loan Scheme	0	0.500
Improvements to Council Hostels	0.059	0.045
Energy Initiative Programme	0.100	0.100
Fees	0	0
Other General Fund New Starts Total	0.259	0.695
Other General Fund Total	0.259	0.695
OVERALL GENERAL FUND TOTAL	3.344	3.250
TOTAL HOUSING CAPITAL PROGRAMME	37.802	23.130

Equality Impact Assessment

Name and date of meeting	Cabinet 27 th January 2011
Title of Report	Housing Capital Programme 2010/11 and 2011/12
Lead Officer	Dave Pate
Date of EIA	22nd December 2010

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>There are some differential outcomes for equality groups, although all groups benefits from initiatives such as:</p> <ul style="list-style-type: none"> • New house building • Modernising council properties • Private sector decent homes through home improvement, repair and energy efficiency grants 	

- Environmental budgets
- Door entry systems
- Loft insulation and other energy works
- New central heating systems
- 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 any 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 any 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 any 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 any 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 any 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 any 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?
<p>For all groups the reduction in capital receipts has resulted in a decrease in funds available for all initiatives, in comparison to previous years.</p> <p>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:</p> <p>The majority of recipients in 2006 to 2008 were between the ages of 65 and 85+ years old.</p> <p>59% of the recipients were female in 2007</p> <p>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.</p> <p>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.</p> <p>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 £1.962m for DFG's and £1.4m 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 have liked but is restricted by the resources available, however, it is recommended that this item be one of the top priorities for any new housing receipts generated in year, which should help to relieve some of the pressure on demand.</p>	

3a.	What are the potential negative/adverse impacts that customers or stakeholders could receive as a result of the recommendations of this report?
<p>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.</p>	

b.	Which diversity groups would be affected? How would they be 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.	
New housing money generated 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
	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 look into alternative sources of funding for the DFG.	Meet the needs of disabled people wishing to live independently in their own homes.	% of grants paid.	All Housing Divisions	Ongoing
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EQUALITY IMPACT ASSESSMENT PRIVATE SECTOR DECENT HOMES

Name of service
Housing Capital Programme 2011-12: Private Sector Decent Homes

Date of assessment:

Start date	Completion date
13 December 2010	22 December 2010

Lead officer and Contact details	Martin Bromley, Head of Renewal & Grants Service x39 1319
List of other(s) involved	Gurjit Minhas

Question:

1a.	What does the service do? What are its aims and objectives? Who are the service's target audience?
<p>The private sector decent homes programme has targeted vulnerable and low-income homeowners and has provided financial assistance so that they can improve their homes up to the decent homes standard.</p> <p>The Government defined vulnerable households as those that would be most at risk from the effects of poor housing - young children or older people – and who are least able to do anything about their housing conditions due to receiving a very limited income. This translates as those households in receipt of at least one of the principal means tested or disability related benefits (e.g. income support, housing benefit, disability living allowance).</p> <p>The main targeted areas are our declared Home Improvement Areas, which were selected for inclusion in the programme as they were known to have high proportions of houses in generally poor condition that are owned by vulnerable and low-income households.</p> <p>The Government set a national target (PSA7) of raising the percentage of vulnerable households living in private sector homes from the baseline of 57% in 2001 to 70% by 2010 and to 75% by 2020.</p> <p>Annual funding was allocated to each local housing authority in England to assist with this work. In 2009-10 Leicester was allocated £2.1m; in 2010-11 the allocation reduced to £1.4m; and now the Government have announced that they will not provide further support at all due to the need to cut spending in support of their deficit reduction action. The Department for Communities and Local Government have published their own EIA which considers the impact of ceasing “Funding for Private Sector Renewal at the end of 2010/11”. A copy of this is available in the Member's Library.</p> <p>Each year Leicester's Housing Capital Programme has shown how the annual funding allocation received is distributed between various schemes that have been run. The capital programme only used the funding allocated and no other resources. Now that the Government have stopped providing funding it will not be possible to continue our private sector decent homes work as we do not have the resources to do so.</p> <p>The Corporate Plan target for private sector decent homes will now need to be reviewed and reduced.</p>	

b.	Does the EIA assess the whole service or just a part of it? If so, which part?
The EIA assesses the whole of the private sector decent homes programme.	

Question:

2a.	Who are the service's customers? Which diversity groups currently receive the service?
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Vulnerable and low-income owner-occupiers. By definition this will concentrate on older people and families with young children.
A number of the Home Improvement Areas have high proportions of BME households. The percentage of households living as owner-occupiers in Leicester is higher amongst the BME groups than among white households

%	Asian or Asian British	Black or Black British	Chinese & Other	White	Mixed
Owner Occupier	74.66%	34.66%	34.64%	55.66%	39.39%
Rented from council	6.72%	26.53%	8.46%	23.72%	28.64%
Other social rented	6.17%	14.32%	5.97%	5.54%	15.32%
Private rented	10.07%	17.72%	31.17%	11.30%	13.22%
Other	2.39%	6.77%	19.75%	3.79%	3.43%
	100%	100%	100%	100%	100%

Source: Comprehensive Spending Review Equality Impact Assessment November 2010

The annual Equality Report 2009-10 had a table showing the ethnicity of people visited in relation to an application for various grants funded through the private sector housing renewal programme.

Ethnicity	Number	Percentage
Asian	177	49.1%
Black	5	1.38%
Dual Heritage	1	0.3%
Not Stated	5	1.38%
Other	2	0.5%
White	170	47.2%
Total	360	100%

These figures show that Asian people were the largest group visited. The figures for Asian applicants at 49.1% are much higher than the City average. 47.2% of the people visited were from White background, which is lower than the City average.

1.38% of the people visited were from an African Caribbean background and this figure is much lower than the City average. Renewal areas are designated in City depending on the condition of private sector housing.

There is a higher proportion of Asian people living in owner occupied housing in Leicester as noted in the first table which could partly explain why that group is so well represented in accessing this service.

Under our citywide home maintenance services modest financial assistance was provided for incremental home improvements. The majority of users of that service were from BME groups and usually elderly.

b.	Is there any gap between the target audience and those currently using the service? Which diversity groups are not accessing the service? Why?
<p>The service provided over the years since the adoption of Leicester private housing renewal strategy in 1976 has been very successfully targeted. This was achieved through an area based approach programme, which concentrated on different areas of the oldest and poorest housing for set periods before moving on to other areas.</p> <p>The Government's decent homes target was a later development and was introduced in 2003.</p>	
c.	What action needs to be taken to increase/improve access to the service by these customers? What is your action plan?
<p>The principal action needed is to advise those residents within the current Home Improvement Areas who have submitted their grant enquiries and are on our waiting list of the cessation of the programme and of the fact that they will not now be able to receive the financial assistance that they had expected.</p> <p>The Home Improvement Areas will also need to be de-declared. And all residents advised of that fact.</p>	
d.	How well does the service take into account the changing demographic profile of the city and the needs of new / emerging communities? What customer changes are expected?
<p>The private sector decent homes programme targeted owner-occupiers. The new/emerging communities tend to live in rented housing until established. Unfortunately the private sector decent homes programme has to cease due to the withdrawal of Government support so we will not be in any position to assist the new/emerging communities once they have started to move into owner-occupation.</p>	
e.	What action needs to be taken to ensure that customers from new / emerging communities have access to the service if needed? What is your action plan?
<p>As above in (d).</p>	

Question:

3a.	What outcomes does the service expect to achieve for its customers?
<p>The main outcomes of the programme were an increase in the total number of homes in Leicester that meet the decent homes standard and an increase in the percentage of vulnerable households that live in decent homes.</p> <p>However with the ending of the private sector decent homes programme the number of non-decent homes will increase, bringing with it a wide range of problems for their residents.</p> <p>The link between poor housing and issues involving health, education and crime has long been established.</p> <p>For example areas of poor housing have increased levels of criminality and delinquency. It is estimated that the overall costs of criminal activity is in the region of £1.8 billion nationally.</p> <p>Non-decent homes are associated with a variety of health hazards including the potential for accidents or through causing illness or medical conditions. The range of potential hazards include damp, mould, excess cold, carbon monoxide, danger of falls and so on. It is estimated that costs incurred by the NHS in dealing with patients affected by these hazards amounts to £600m per year, although when other costs are totalled ie: loss of earnings this could rise to £1.5 billion pa nationally</p>	

<p>Although the link between poor housing and educational attainment is slightly more tenuous there is evidence to show that children living in areas of poor housing achieve lower exam grades than the rest of the population.</p>	
b.	Are these outcomes being achieved? Are they being achieved across the range of diversity groups?
<p>The occupants of the older, poorer housing in Leicester tend to be members of the BME communities and older people of all ethnic groups. It is mainly these groups that will feel the effects of the cessation of the private sector decent homes programme.</p>	
c.	If these outcomes are not being achieved for any diversity group, what action can be taken to ensure that customers receive the intended benefits? What is your action plan?
<p>The problems of ending the private sector decent homes programme will be mitigated to some degree by retaining and strengthening the non-financial advice and assistance that is available to owner-occupiers concerning the maintenance of their homes. This is part of our citywide home maintenance services and service users can be given advice about what is causing any defects and how those defects can be dealt with. This is often done by advising on the work needed and how to obtain estimates from builders, referring people on to other available services, such as the Warm Front programme, and providing practical help through our handyperson service</p>	
d.	If these outcomes are not being achieved for some diversity groups, what action can be taken to ensure that these customers receive the same benefits as others? What is your action plan?
<p>The citywide home maintenance services are available to all owner-occupiers across Leicester.</p> <p>The service is publicised in the Link and is well known to other services that work with vulnerable households.</p>	

Action Plan

All boxes must be completed, and relevant actions included for your service, i.e. where no further action is required against a strand please state this.

Equality Strand/ Activity	Adverse impact identified	Action required	Anticipated outcome and when it should be measured	Lead Officer (Service Manager)	Timescale for action/ measurement
Age	Older people and young children are often the most at risk from poor housing conditions. They will be most affected by ceasing the private sector decent homes programme	Some mitigation from the advice service that is to be retained and strengthened.	Take up of the advice service will be monitored.	Head of Renewal & Grants Service	2011-12
Disability	The provision of disabled facilities grants is not affected by stopping the decent homes programme. However in the past it was possible to offer assistance with necessary home improvements alongside adaptation work that was to be carried out under a disabled facilities grant as one package.	Some mitigation from the advice service that is to be retained and strengthened.	Take up of the advice service will be monitored.	Head of Renewal & Grants Service	2011-12
Gender/Gender Identity	All vulnerable households in owner occupied housing will be	Some mitigation from the advice service that is	Take up of the advice service will be	Head of Renewal & Grants Service	2011-12

	adversely affected by stopping the decent homes programme.	to be retained and strengthened.	monitored.		
Race	The percentage of households living as owner-occupiers in Leicester is higher amongst the BME groups than among white households. This is also reflected in the make up of past users of the service. Stopping the private sector decent homes programme will have a disproportionate affect on these groups.	Some mitigation from the advice service that is to be retained and strengthened.	Take up of the advice service will be monitored.	Head of Renewal & Grants Service	2011-12
Religion/ Belief	All vulnerable households in owner occupied housing will be adversely affected by stopping the decent homes programme.	Some mitigation from the advice service that is to be retained and strengthened.	Take up of the advice service will be monitored.	Head of Renewal & Grants Service	2011-12
Sexual Orientation	All vulnerable households in owner occupied housing will be adversely affected by stopping the decent homes programme.	Some mitigation from the advice service that is to be retained and strengthened.	Take up of the advice service will be monitored.	Head of Renewal & Grants Service	2011-12