

Housing Scrutiny Commission

Commission Meeting 17th December 2015

Housing Revenue Account Rent Setting and Budget 2016/17 Consultation

Assistant Mayor for Housing : Cllr Andy Connelly

Lead director : Ann Branson

Useful information

- Ward(s) affected: All
- Report author: Ann Branson, Director of Housing and Peter Coles, Principal Accountant Housing
- V2.2

1. Summary

- 1.1 This report is will lead to the full Council agreeing the council house rent setting and Housing Revenue Account budget for 2016/17. The Executive invites the views of Housing Scrutiny Commission on the proposals and options in this report.
- 1.2 The budget will be set in the context of the government requirement that rents are reduced by 1% p.a. for each of the next four years (2016-2020).
- 1.3 The Executive proposes that the first of the four Rent Reduction Budgets is set as a balanced budget with no use of reserves.
- 1.4 Executive also propose to consider the outcome of work on an HRA Spending Review Phase 3 in the summer of 2016 to identify a total reduction in spending of c£11.7m pa by 2019/20, compared to the current business plan. Consideration of Spending Review Phase 3 will enable Executive to agree a 3 year framework for future annual budgets up to and including 2019/20. These further proposals will be consulted on.

2. Recommendations

Invites the views of the Housing Scrutiny Commissions on the following proposals:

- i) to set the 2016/17 HRA budget, being the first of four Rent Reduction Budgets, as a balanced budget to accommodate the £2.2m expected income reduction, with no use of reserves;
- ii) to increase service charges and garage rent by 0.9% (CPI+1%) (excluding heating and cleaning charges);
- iii) reductions in 2016/17 spending from the options as set out in table 6 in this report.

3. Report/Supporting information including options considered:

- 3.1 The Housing Revenue Account (HRA) operates in a self-financing environment. Spending priorities are made in the context of a 30 year business plan and need to achieve the right balance between investing in maintaining and improving the housing stock, providing landlord services to tenants, building new homes and supporting and repaying housing debt of £198m.

- 3.2 The 30 year business plan models future levels of income and expenditure. The summer budget statement in July 2015 had a profound impact on assumptions about future rent increases. All housing association and council owned housing are required to decrease rents by 1% each year for 4 years, compared to the existing national policy of CPI + 1%. The impact of this is shown in Table 1 below. It will result in £2.2m less income in 2016/17 compared to previous business plan expectations, rising to £11.7m a year in 2019/20. By 2019/20 annual income will be reduced by 13.7% p.a.
- 3.3 Over the four years, this means that total income of some £27.3m is expected to be lost, compared to the current business plan (being £2.2m in 2016/17 and £25.1m across the following three years).. It is unclear how rents may change from 2020/21, although this rent income is certain to be lost to the baseline for ever, as any future increases will be from the lower rent levels.

Table 1: Projected Income from dwellings (includes impact of RTB sales)

	2015/16	2016/17	2017/18	2018/19	2019/20
		Year 1	Year 2	Year 3	Year 4
Rent increase %	2.2%	1.5%	2.5%	3.0%	3.0%
Current Business Plan £m	79.5	80.1	81.5	83.4	85.5
Rent increase %	2.2%	-1.0%	-1.0%	-1.0%	-1.0%
Revised Business Plan £m	79.5	77.9	76.4	75.1	73.8
Difference £m	0.0	-2.2	-5.1	-8.3	-11.7

- 3.4 The 1% reduction does not apply to service charges and garage rents. It is proposed to increase service charges (excluding heating and cleaning charges) by 0.9% (September CPI+1%) which would raise an extra £16k a year. It is proposed to increase garage rents by 0.9% (September CPI+1%) which would increase the average weekly rent to £8.32. This would bring in an additional £2.7k per year. District Heating charges are reviewed annually in September. Cleaning charges will be reviewed next year in response to the Housing Scrutiny Taskforce.
- 3.5 The Housing Transformation Programme began a programme of *efficiency savings* in 2013 which is expected to achieve £6m p.a. of savings by 2018. To date, Spending Reviews Phases 1 and 2 have achieved £4.3m p.a. which has financed the effects of changes made in amounts charged between the HRA and General Fund to reflect service levels provided (reported in previous years' budgets).
- 3.6 The remaining saving was due to be set aside for reinvestment in the housing stock including build new council homes. Phase 2 of the Spending Review will deliver savings in future years as efficiency measures are implemented. However, given the very significant income reductions now expected, to deliver a balanced budget each year until the end of 2019/20 will now also require *service reductions*.

3.7 It is proposed that the Executive consider the outcome of work on HRA Spending Review Phase 3 in the summer of 2016 to identify a total reduction in spending of £11.7m p.a. by 2019/20 as set out in Table 1. The HRA Spending Review Phase 3 will identify further efficiency savings and bring options for service reductions with an analysis of their impact.

3.8 Unavoidable additional costs in 2016/17 are set out in table 2 below. Pay inflation of £1.1m includes the anticipated 1% pay award, a 30% increase in employer national insurance contributions as a result of contracting out ending and a 5% increase in employer pension contributions. Borrowing costs will increase following a reallocation of debt between the HRA and the General Fund, reflecting the fact that the General Fund can no longer afford to lend its surplus balances at 0.5% interest. There will also be greater challenges to collect income as direct payments to tenants are made as part of Universal Credit. This may require additional resources in the income management team. An allowance is already made for bad debt, but the overall impact of this pressure is being considered and any recommended adjustments will be put forward for the 2017/18 budget.

Rent income 1% actual reduction	£0.7m
Pay	£1.1m
Materials & contracts	£0.1m
Interest on borrowing costs	£0.7m
Total Additional Costs	£2.6m

3.9 Budget efficiency savings are shown in table 3 below. Phase 2 of the HRA Spending Review / Corporate Technical Services Review is expected to achieve efficiencies in Stores and from Fleet. The number of long term council house voids has reduced and the re-let time of routine voids is reducing, which will result in some £0.3m more rent.

Efficiency Savings (Spending Review Phase 2)	£(0.5m)
Income from decrease in voids	£(0.3m)
Total Efficiency Savings	£(0.8m)

3.10 Table 4 below summarises the 2016/17 draft budget, bringing in the above changes from the current 2015/16 budget and showing capital expenditure as per current plans.

Table 4: Budget Summary 2016/17	Revised Budget 2015/16	Additional Costs	Efficiency Savings	Draft Budget 2016/17
Income - all	£(85.4)m	£0.7m	£(0.3m)	£(85.0)m
Repairs & Maintenance	£29.0m	£0.7m	£(0.3)m	£29.4m
Landlord Services & Management	£24.1m	£0.5m	£(0.2m)	£24.4m
Provision for Bad Debt	£1.4m			£1.4m
Borrowing costs	£9.0m	£0.7m		£9.7m
Revenue financing available for capital	£(21.9)m	£2.6m	£(0.8m)	£(20.1)m
Capital expenditure requirement – current plan	£29.5m			£22.4m
Policy Provision – New Investment				£1.0m
Balance of Capital Expenditure to be financed	£7.6m			£3.3m

- 3.11 Capital expenditure in 2015/16 is substantial and is supported by use of reserves and one-off funds, over and above the in-year revenue financing.
- 3.12 The currently planned capital programme for 2016/17 is £22.4m, which was intended to be sustainable from in-year rent income. However following the first year of the rent reductions, the available financing will be only £20.1m, leaving £2.3m still to be financed. In addition, it is recognised that the HRA must continue to invest in its housing stock. A policy provision of £1m is proposed for investment in building new council homes.
- 3.13 If a programme of new builds is to be pursued, a typical revenue contribution of £47k per house would be required, so that the amount needing to be borrowed can be repaid from rents. Hence an initial 20 houses would require a £1.0m revenue contribution. Building new council homes replaces lost rental income, but 20 new homes is significantly short of the homes sold through Right To Buy. There will be a separate report to Executive with options for new council house building;
- 3.14 Hence the overall gap to be financed in 2016/17 increases to £3.3m including £1m of new capital investment. This gap would need to be addressed by a combination of revenue savings, reductions to the capital programme or alternatively by drawing upon reserves.

3.15 At the end of 2015/16, in addition to the minimum £5m working balance, the expected available revenue reserves are set out in table 5 below. Available borrowing is restricted by the debt cap, however available borrowing for capital investment is forecast to reach £12m over the next 4 years.

Future Schemes Fund	£1.6m
Major Repairs Fund	£1.8m
Forecast 2015/16 underspend	£0.3m
Total available reserves	£3.7m

3.16 As the HRA enters a period of severe financial pressure, reserves and available borrowing should be carefully and strategically managed. Given the relatively small level of spending reductions required in 2016/17 compared to later years, it is recommended that no use of reserves or borrowing is made in setting the budget for 2016/17. Their use in a managed fashion to support the Rent Reduction Budgets in years 2, 3 and 4 should however be considered when the outcome of Spending Review Phase 3 is available in summer 2016.

3.17 Therefore a range of revenue and capital options for achieving reductions in 2016/17 to finance or reduce the capital financing gap are presented in table 6 on the following page. These options for reductions can be implemented from April 2016. The total value of the options marginally exceeds the £3.3m savings required in 2016/17, if the £1m provision for new investment is retained. If however it is not retained, then the options exceed the required savings by just over £1m.

3.18 Appendix A includes details of future requirements for investment in council homes and options for additional schemes:

- 1. Decent Homes 20 year investment profile;
- 2. Estate, Energy Efficiency and other investment schemes.

Table 6: Options for revenue and capital reductions

Options for Revenue reductions:	Planned Spending 2016/17	Service description	Options and impact	Suggested reduction
Landscaping Improvements	£0.25m	Changing shrubbed areas for trees and grass has much improved the environment on many estates over the last two years. The worst areas have been tackled, there is still potential to do work in Beaumont Leys, Centre, Humberstone and Rowlatts Hill, Saffron and Eyres Monsell.	Ongoing budget is £250k, this was increased to £500k in 2015/16. Could end all together and suggest local areas choose whether to fund from the Communal and Environmental Works budget. A £100k budget would be sufficient to continue targeting the worst areas.	£0.15m
STAR	£1.6m	STAR prioritises floating support to council tenants who are facing eviction for rent arrears or are involved in ASB cases or have previously been homeless. STAR also supports other tenants where referrals have been made or where tenants approach STAR directly. STAR typical supports 510 people on a casework basis at any one time. The service also has local offices where advice and short term support is given to c3,400 people per year who come to the office.	There are 33 FTE Housing Related Support Workers in the STAR team of which 3 posts are currently vacant (£112k). These posts could continue as vacancies until the longer term impact on STAR is assessed. A full briefing is being prepared to outline the challenges facing the service and to assess the impact of the ongoing vacancies.	£0.11m
			TOTAL POTENTIAL REVENUE REDUCTIONS.	£0.26m

Capital Reductions Options:	Planned Spending 2016/17	Service description	Options and impact	Suggested reduction
Re-profiling of boilers, door entry and better management of demand led schemes		<p>Boilers: are replaced after an assessment is carried out by Gas Servicing staff. We currently replace up to 1800 boilers per year.</p> <p>Soffits: We replace 200 p.a. with UPVC, based on a condition survey, because these are no longer painted.</p> <p>Door Entry: Major work is usually required on existing schemes every 15 years, following an assessment. A reduction may impact on the number of call out for repairs This would need careful monitoring.</p> <p>Hard to Heat at Homes: There are 1096 properties left to complete in the 4 year programme upgrading the most energy inefficient homes, at an estimated cost of £600k.</p> <p>Windows & doors: Demand led scheme. There are only a handful of properties (reducing all the time) that do not have uPVC/double glazing, which normally can only be fitted when the property becomes void</p>	<p>Boilers save £0.5m: This would equate to 188 less boilers being replaced 2016/17. This 10% reduction would mean that the lifespan of a boiler would be extended beyond 15 years. This may be achievable, but impact on repairs would be closely monitored if a reduced programme were to continue into future years..</p> <p>Soffits save £0.1m: This would mean that 50 less properties would have their soffits and facia replaced.</p> <p>Door Entry save £0.4m: A reduction would mean that the cycle will be extended but this level of saving is not likely to be a problem.</p> <p>Hard to Heat at Homes £0.3m: This option proposes that the final work is spread over 2 years instead of one</p> <p>Windows & Doors save £0.1m: The current programme is demand lead and this reduction reflects current demand.</p> <p>Safety £0.2m: This is primarily for demand led schemes and each scheme is prioritised before it is agreed. Major works to upgrade communal fire doors over the last 2 years should reduce the number of schemes requested.</p>	£1.60m
Kitchens & Bathrooms	£6.3m	<p>Whist we met the Decent Homes Standard in 2010 Properties continue to become non decent. The promise to tenants was to renew every kitchen and bathroom by 2030. This would mean a kitchen replaced by 30 years and a bathroom 40. We are currently within that promise but only just. This</p>	<p>Current programme is for 1120 replacements a year. 100 kitchens and bathrooms cost around £0.6m. We currently spend £2m on kitchen refurbishment in void properties, where replacement is only done where essential for re-letting, so this reduction</p>	£1.20m

		programme is popular with tenants.	would be to tenanted homes, however expenditure on voids is expected to fall.	
Communal & Environmental Improvements	£1.2m	This budget is allocated by local tenants and ward members and covers a wide variety of schemes, including ground works, painting, rendering, laybys, upgrading internal surfaces in communal areas.	Budget has been increased significantly on a one-off basis in the last 2 years, to £2m. However, £1m is historical level of spend, which is reflected in the 2016/17 planned spending. Would require schemes to be prioritised meaning waiting longer for some.	£0.20m
Policy Provision – New Investment		For new investment in the housing stock. £1m would provide revenue financing for building 20 new council homes; or external wall insulation to 150 homes which is popular with tenants and reduces heating costs.	If the provision were to be removed, these investments would not proceed.	£1.00m
			<u>TOTAL POTENTIAL CAPITAL REDUCTIONS</u>	£4.00m
<u>TOTAL POTENTIAL REDUCTIONS</u>			TOTAL POTENTIAL REDUCTIONS	£4.26m

4. Financial, legal and other implications

4.1 Financial implications

4.1.1 This report is exclusively concerned with financial implications.

Colin Sharpe, Head of Finance, ext. 37 4081

4.2 Legal implications

4.2.1 The Council is obliged to set a budget for an accounting year that will not show a deficit (S76 Local Government and Housing Act 1989).

4.2.2 The Council is also required to ring-fence the HRA to ensure that only monies received and spent for obligations and powers under the Housing Act 1985 can be paid into and out of the HRA (S75 and Schedule 4 Local Government and Housing Act 1989).

4.2.3 The Welfare Reform and Work Bill 2015-16, once it receives Royal Assent, will oblige the Council to reduce the rents payable by individual tenants by 1% each year between 2016 and 2019. The Bill is due to receive its second reading in the House of Lords on 10 November.

Jeremy Rainbow - Principal Lawyer (Litigation) - x371435

4.3 Climate Change and Carbon Reduction implications

4.3.1 Leicester City Council has a corporate target to reduce city wide carbon dioxide emissions to 50% of the 1990 level by 2025 and Housing Services play a significant role in meeting this. A reduction of capital investment in any scheme that would otherwise improve the energy efficiency of the council housing stock, eg boiler or window replacements, will reduce the carbon savings originally expected from these initiatives.

4.3.2 For other schemes that the actual investment will not be lowered, but the timeframe is to be extended, eg Hard to Heat homes, there will be no significant implication for carbon in the long term as the 1096 remaining homes will still be upgraded to the same standard, just over a longer 2 year timeframe.

4.3.3 The programme of building new council housing will also have implications for city wide emissions, and these will be provided for the separate report which is to follow.

Louise Buckley, Senior Environmental Consultant, 37 2293

4.4 Equality Impact Assessment (EIA) : Service Reviews/Service Changes

Title of spending review/service change/proposal	Housing Revenue Account rent setting and budget 2016/17
Name of division/service	Housing
Name of lead officer completing this assessment	Helen McGarry, Service Improvement Manager, Ext. 5129 helen.mcgarry@leicester.gov.uk
Date EIA assessment completed	
Decision maker	Full Council
Date decision taken	

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

Please ensure the following:

- (a) That the document is understandable to a reader who has not read any other documents, and explains (on its own) how the Public Sector Equality Duty is met. This does not need to be lengthy, but must be complete.
- (b) That available support information and data is identified and where it can be found. Also be clear about highlighting gaps in existing data or evidence that you hold, and how you have sought to address these knowledge gaps.
- (c) That the equality impacts are capable of aggregation with those of other EIAs to identify the cumulative impact of all service changes made by the council on different groups of people.

1. Setting the context

Describe the proposal, the reasons it is being made, and the intended change or outcome. Will current service users' needs continue to be met?

The Housing Revenue budget report is proposing a 1% reduction in council house rents for 2016/17. The budget is being proposed in the context of the government requirement that rents are reduced by 1% p.a. for each of the next four years. Due to the reduction in income, savings of £3.3m need to be made through a combination of revenue savings and adjustments to the capital programme. It has been proposed that reserves are not used in this first year of savings, but considered in future years when the savings required will be more severe. The following options for Revenue reductions are put forward:

- Landscaping improvements (planned spending £0.25m , reduction of £0.15m)
- Neighbourhood Improvement Schemes – Leicester to Work – (planned spending £0.4m, reduction of £0.2m)
- Housing craft apprentice scheme (planned spending £1.7m, reduction of £0.1m)
- STAR (planned spending £1.m, reduction of £0.1m)

The following options for Capital reductions are out forward

- Re-profiling of boilers, door entry and better management of demand led schemes including soffits, fascias, windows and doors. safety work and spreading the programme of work on heard to heat over two years instead of one. (planned spending ?, reduction of £1.6m)
- Kitchens and bathrooms (planned spending £6.3m, reduction of £1.2m)
- Communal and environmental improvements (planned spending £1.2m, reduction of £0.2m)

The main service need of tenants is that they have a suitably sized, Decent Home, maintained through an effective repairs service with quality tenancy and estate management services. Current service user needs will continue to be met, however, some non-urgent schemes and services will need to be re-prioritised resulting in longer waiting times for services.

2. Equality implications/obligations	
Which aims of the Public Sector Equality Duty (PSED) are likely be relevant to the proposal? In this question, consider both the current service and the proposed changes.	
	Is this a relevant consideration? What issues could arise?
Eliminate unlawful discrimination, harassment and victimisation How does the proposal/service ensure that there is no barrier or disproportionate impact for anyone with a particular protected characteristic	From this equality impact assessment no significant impacts have been identified.
Advance equality of opportunity between different groups How does the proposal/service ensure that its intended outcomes promote equality of opportunity for users? Identify inequalities faced by those with specific protected characteristic(s).	The proposals continue to commit to the provision of decent homes to council tenants and equality of opportunity for people to have decent homes to live in. The standard of accommodation in council owned properties is higher than in some areas of the private sector.
Foster good relations between different groups Does the service contribute to good relations or to broader community cohesion objectives? How does it achieve this aim?	Maintaining properties and making improvements on estates creates an environment where people are satisfied with their homes and the area they live in, reducing the likelihood of anti social behaviour and community tensions.
3. Who is affected?	
Outline who could be affected, and how they could be affected by the proposal/service change. Include current service users and those who could benefit from but do not currently access the service.	
<p>The proposals will affect all Leicester City Council tenants across the city. 29.14% of tenants in receipt of full housing benefit at present will continue to have any rent payable covered by their benefit entitlement. The positive impact of having to pay less rent will affect 70.86% of tenants who are in receipt of partial housing benefit or none at all. The impact of the rent reduction will be dependent on tenants' financial situations rather than any protected characteristic.</p> <p>The Housing Capital programme generally benefits all tenants and residents in the city. Projects to improve individual properties are decided on their condition or to meet health and safety regulations, rather than a protected characteristic of a tenant. Decisions on the Capital programme are based on the age of properties and the predicted lifespan of when items will need replacing. The decisions are not area or tenant based.</p> <p>Reducing the funding for the Neighbourhood Improvement Scheme (Leicester to Work) will reduce the capacity of the scheme</p>	

and some non-urgent work may be delayed. However, this will have no impact on any particular protected characteristic. Pausing the intake of the Housing craft apprenticeship scheme for one year will reduce the training opportunities available but is unlikely to have an impact on the services provided to tenants.

Reducing funding to the STAR service will impact on those tenants who require support to maintain their tenancies. This may impact more on people needing low level support. A reduction in office opening hours may impact on all tenants requiring support or advice from the service.

The Housing Capital programme generally benefits all tenants and residents in the city. Projects to improve individual properties are decided on their condition or to meet health and safety regulations, rather than a protected characteristic of a tenant.

Although there are reductions in the proposed budgets no services are being stopped altogether. The impact of this on tenants and residents is that they may have to wait longer for non-urgent work to be completed or access to the STAR services for non-priority cases.

4. Information used to inform the equality impact assessment

What **data, research, or trend analysis** have you used? Describe how you have got your information and what it tells you. Are there any gaps or limitations in the information you currently hold, and how you have sought to address this, e.g. proxy data, national trends, etc.

Tenant profiling information has been collected and analysed from the Open Housing IT system as at the 4th November 2015 (Appendix 1) and profiling information has been looked at for people accessing the STAR service in 2014 / 15 (Appendix 2.) This includes information on ages, ethnic origin, disability, gender, sexuality and religion. There are gaps in data in relation to gender re-assignment, marriage and civil partnership, pregnancy and maternity and sexual orientation. There is also little information collected specific disability impairments. Improved systems to collect monitoring data will take place with the introduction of Northgate, the new IT system for Housing in November 2015.

5. Consultation

What **consultation** have you undertaken about the proposal with current service users, potential users and other stakeholders?

What did they say about:

- What is important to them regarding the current service?
- How does (or could) the service meet their needs?
- How will they be affected by the proposal? What potential impacts did they identify because of their protected characteristic(s)?
- Did they identify any potential barriers they may face in accessing services/other opportunities that meet their needs?

Initial consultation took place with the Tenants' and Leaseholders' Forum on the 8th October 2015 to establish their priorities for

spend and where savings could be made. This group represents tenants and leaseholders across the city and acts as the councils' consultative group on key decisions effecting council tenants and leaseholders. Through this consultation it was established that Capital programme work related to the condition of the property, rather than tenants with a protected characteristic. The Forum stated:

- The kitchens and bathrooms programme was important to tenants but they accepted that there may need to be a reduction in the budget for this if savings needed to be found.
- Spend on soffits / facias, door entry systems and way lighting was not a priority for them.
- Spend on disabled adaptations and supported housing improvements was essential to enable people with the disability protected characteristic to remain living in their own homes.
- The STAR service was a priority to help support vulnerable tenants but suggested savings could be made through current working practices, whilst still maintaining the current service level to tenants.
- Spend on new build was a priority.
- The Forum supported spend on the Neighbourhood Improvement and apprenticeship schemes as this provided employment opportunities. Also, their work led to improvements in the local area.
- The forum said that a large amount of money was currently being spent on energy initiatives (energy initiatives for hard to heat homes, loft insulation, external wall insulation.) Whilst they appreciated this work reduced energy bills for tenants they suggested savings could be made in this area.

The Tenants' and Leaseholders Forum will be consulted further on the budget options on the 14th December 2015.

6. Potential equality Impact

Based on your understanding of the service area, any specific evidence you may have on service users and potential service users, and the findings of any consultation you have undertaken, use the table below to explain which individuals or community groups are likely to be affected by the proposal because of their protected characteristic(s). Describe what the impact is likely to be, how significant that impact is for individual or group well-being, and what mitigating actions can be taken to reduce or remove negative impacts.

Looking at potential impacts from a different perspective, this section also asks you to consider whether any other particular groups, especially vulnerable groups, are likely to be affected by the proposal. List the relevant that may be affected, along with their likely impact, potential risks and mitigating actions that would reduce or remove any negative impacts. These groups do not have to be defined by their protected characteristic(s).

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Protected characteristics	Impact of proposal: Describe the likely impact of the proposal on people because of their protected characteristic and how they may be affected. Why is this protected characteristic relevant to the proposal? How does the protected characteristic determine/shape the potential impact of the proposal?	Risk of negative impact: How likely is it that people with this protected characteristic will be negatively affected? How great will that impact be on their well-being? What will determine who will be negatively affected?	Mitigating actions: For negative impacts, what mitigating actions can be taken to reduce or remove this impact? These should be included in the action plan at the end of this EIA.
Age ¹	<p>Minor impact that non urgent repairs and estate improvement work may be delayed.</p> <p>Support for non-urgent STAR cases may be delayed. 45.45% of tenants receiving STAR services in 2014 / 15 were between 25 and 44 years old so the proposals could have the greatest impact to this age group.</p>	<p>Unlikely, low risk</p> <p>An eligibility criteria for accessing STAR services is in place so that those most vulnerable and threatened with homelessness are provided with support. This eligibility criteria will continue to be used. It is therefore likely that those less vulnerable or in less need will be impacted by the proposals and access to the STAR service may be delayed. There is a risk that a delay in low level support could, over time, escalate a person's need for support.</p>	<p>Capital programme work is prioritised based on the condition of the property, irrespective of the tenant who lives in these.</p> <p>STAR have an eligibility criteria that ensures those most vulnerable are prioritised for support. Signposting to other appropriate services can take place for non-urgent cases, if necessary. Emergency access to services for those in immediate threat of homelessness is available through Housing Options when STAR offices are closed.</p>

¹ Age: Indicate which age group is most affected, either specify general age group - children, young people working age people or older people or specific age bands

<p>Disability²</p>	<p>Minor impact that non urgent repairs and estate improvement work may be delayed. Meeting the needs of disabled tenants will continue with the funding of Disability Fund Grants</p> <p>Support for non urgent STAR cases may be delayed. 63.61% of tenants receiving STAR services in 2014 / 15 said they did not have a disability so the proposals could have the greatest impact to this group.</p>	<p>Unlikely, low risk</p> <p>An eligibility criteria for accessing STAR services is in place so that those most vulnerable and threatened with homelessness are provided with support. This eligibility criteria will continue to be used. It is therefore likely that those less vulnerable or in less need will be impacted by the proposals and access to the STAR service may be delayed. There is a risk that a delay in low level support could, over time, escalate a person's need for support.</p>	<p>Capital programme work is prioritised based on the condition of the property, irrespective of the tenant who lives in these.</p> <p>STAR have an eligibility criteria that ensures those most vulnerable are prioritised for support. Signposting to other appropriate services can take place for non-urgent cases, if necessary. Emergency access to services for those in immediate threat of homelessness is available through Housing Options when STAR offices are closed.</p>
<p>Gender Reassignment³</p>	<p>Minor impact that non urgent repairs and estate improvement work may be delayed.</p> <p>Support for non urgent STAR cases may be delayed.</p>	<p>Unlikely, low risk</p> <p>The impact is likely to be low as no known gender re-assignment</p>	<p>Capital programme work is prioritised based on the condition of the property, irrespective of the tenant who lives in these.</p> <p>STAR have an eligibility criteria that ensures those most vulnerable</p>

² Disability: if specific impairments are affected by the proposal, specify which these are. Our standard categories are on our equality monitoring form – physical impairment, sensory impairment, mental health condition, learning disability, long standing illness or health condition.

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

		<p>cases were supported by STAR in 2015 /15. An eligibility criteria for accessing STAR services is in place so that those most vulnerable and threatened with homelessness are provided with support. This eligibility criteria will continue to be used. It is therefore likely that those less vulnerable or in less need will be impacted by the proposals and access to the STAR service may be delayed. There is a risk that a delay in low level support could, over time, escalate a person's need for support.</p>	<p>are prioritised for support. Signposting to other appropriate services can take place for non-urgent cases, if necessary. Emergency access to services for those in immediate threat of homelessness is available through Housing Options when STAR offices are closed.</p>
<p>Marriage and Civil Partnership</p>	<p>Minor impact that non urgent repairs and estate improvement work may be delayed.</p> <p>Support for non urgent STAR cases may be delayed.</p>	<p>Unlikely, low risk</p> <p>There is no STAR profiling information available for this protected characteristic group, so it is not known how many people could be impacted upon. However, An eligibility criteria for accessing STAR services is in place so that those most vulnerable and threatened with homelessness are provided with support. This eligibility criteria will continue to be used. It is therefore likely that those less</p>	<p>Capital programme work is prioritised based on the condition of the property, irrespective of the tenant who lives in these.</p> <p>STAR have an eligibility criteria that ensures those most vulnerable are prioritised for support. Signposting to other appropriate services can take place for non-urgent cases, if necessary. Emergency access to services for those in immediate threat of homelessness is available through Housing Options when STAR offices are closed.</p>

		vulnerable or in less need will be impacted by the proposals and access to the STAR service may be delayed. There is a risk that a delay in low level support could, over time, escalate a person's need for support.	
Pregnancy and Maternity	<p>Minor impact that non urgent repairs and estate improvement work may be delayed.</p> <p>Support for non urgent STAR cases may be delayed.</p>	<p>Unlikely, low risk</p> <p>There is no STAR profiling information available for this protected characteristic group, so it is not known how many people could be impacted upon. However, An eligibility criteria for accessing STAR services is in place so that those most vulnerable and threatened with homelessness are provided with support. This eligibility criteria will continue to be used. It is therefore likely that those less vulnerable or in less need will be impacted by the proposals and access to the STAR service may be delayed. There is a risk that a delay in low level support could, over time, escalate a person's need for support.</p>	<p>Capital programme work is prioritised based on the condition of the property, irrespective of the tenant who lives in these.</p> <p>STAR have an eligibility criteria that ensures those most vulnerable are prioritised for support. Signposting to other appropriate services can take place for non-urgent cases, if necessary. Emergency access to services for those in immediate threat of homelessness is available through Housing Options when STAR offices are closed.</p>

<p>Race⁴</p>	<p>Minor impact that non urgent repairs and estate improvement work may be delayed.</p> <p>Support for non urgent STAR cases may be delayed. 69.27% of tenants receiving STAR services in 2014 / 15 were of a white background so the proposals could have the greatest impact on people with this background</p>	<p>Unlikely, low risk</p> <p>An eligibility criteria for accessing STAR services is in place so that those most vulnerable and threatened with homelessness are provided with support. This eligibility criteria will continue to be used. It is therefore likely that those less vulnerable or in less need will be impacted by the proposals and access to the STAR service may be delayed. There is a risk that a delay in low level support could, over time, escalate a person's need for support.</p>	<p>Capital programme work is prioritised based on the condition of the property, irrespective of the tenant who lives in these.</p> <p>STAR have an eligibility criteria that ensures those most vulnerable are prioritised for support. Signposting to other appropriate services can take place for non-urgent cases, if necessary. Emergency access to services for those in immediate threat of homelessness is available through Housing Options when STAR offices are closed.</p>
<p>Religion or Belief⁵</p>	<p>Minor impact that non urgent repairs and estate improvement work may be delayed.</p> <p>Support for non urgent STAR cases may be delayed. 20.06%</p>	<p>Unlikely, low risk</p> <p>An eligibility criteria for accessing STAR services is in place so that</p>	<p>Capital programme work is prioritised based on the condition of the property, irrespective of the tenant who lives in these.</p> <p>STAR have an eligibility criteria that ensures those most vulnerable</p>

⁴ Race: given the city's racial diversity it is useful that we collect information on which racial groups are affected by the proposal. Our equalities monitoring form follows ONS general census categories and uses broad categories in the first instance with the opportunity to identify more specific racial groups such as Gypsies/Travellers. Use the most relevant classification for the proposal.

⁵ Religion or Belief: If specific religious or faith groups are affected by the proposal, our equalities monitoring form sets out categories reflective of the city's population. Given the diversity of the city there is always scope to include any group that is not listed.

	<p>of tenants receiving STAR services in 2014 / 15 were Christian and 22.88 stated they had no religion so the proposals could have the greatest impact to this age group. However, this is not conclusive as 42.31% preferred not to say what their religion was.</p>	<p>those most vulnerable and threatened with homelessness are provided with support. This eligibility criteria will continue to be used. It is therefore likely that those less vulnerable or in less need will be impacted by the proposals and access to the STAR service may be delayed. There is a risk that a delay in low level support could, over time, escalate a person's need for support.</p>	<p>are prioritised for support. Signposting to other appropriate services can take place for non-urgent cases, if necessary. Emergency access to services for those in immediate threat of homelessness is available through Housing Options when STAR offices are closed.</p>
<p>Sex⁶</p>	<p>Minor impact that non urgent repairs and estate improvement work may be delayed.</p> <p>Support for non urgent STAR cases may be delayed. 60.81% of tenants receiving STAR services in 2014 / 15 were female so the proposals could have the greatest impact on women</p>	<p>Unlikely, low risk</p> <p>An eligibility criteria for accessing STAR services is in place so that those most vulnerable and threatened with homelessness are provided with support. This eligibility criteria will continue to be used. It is therefore likely that those less vulnerable or in less need will be impacted by the proposals and access to the STAR service may be delayed. There is a risk that a delay in low level support could, over time, escalate a person's need for</p>	<p>Capital programme work is prioritised based on the condition of the property, irrespective of the tenant who lives in these.</p> <p>STAR have an eligibility criteria that ensures those most vulnerable are prioritised for support. Signposting to other appropriate services can take place for non-urgent cases, if necessary. Emergency access to services for those in immediate threat of homelessness is available through Housing Options when STAR offices are closed.</p>

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

		support.	
Sexual Orientation⁷	<p>Minor impact that non urgent repairs and estate improvement work may be delayed.</p> <p>Support for non urgent STAR cases may be delayed. The impact of the proposals is inconclusive because we don't know the sexual orientation of 90.27% of the clients STAR supported in 2014 / 15.</p>	<p>Unlikely, low risk</p> <p>An eligibility criteria for accessing STAR services is in place so that those most vulnerable and threatened with homelessness are provided with support. This eligibility criteria will continue to be used. It is therefore likely that those less vulnerable or in less need will be impacted by the proposals and access to the STAR service may be delayed. There is a risk that a delay in low level support could, over time, escalate a person's need for support.</p>	<p>Capital programme work is prioritised based on the condition of the property, irrespective of the tenant who lives in these.</p> <p>STAR have an eligibility criteria that ensures those most vulnerable are prioritised for support. Signposting to other appropriate services can take place for non-urgent cases, if necessary. Emergency access to services for those in immediate threat of homelessness is available through Housing Options when STAR offices are closed.</p>

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

All protected characteristics have been commented on because the Capital programme proposals will have an impact on all tenants. However, for these there is no disproportionate impact on any group. Work will continue to be prioritised on the conditions of properties and estates, irrespective of tenants living in our properties. There may be delays for non-urgent work and services but no particular group will be disadvantaged more than another. All urgent and priority services will continue to be provided.

⁷ Sexual Orientation: It is important to remember when considering the potential impact of the proposal on LGBT communities, that they are each separate communities with differing needs. Lesbian, gay, bisexual and transgender people should be considered separately and not as one group. The gender reassignment category above considers the needs of trans men and trans women.

Analysis of STAR client profile information for 2014 / 15 shows that some groups with protected characteristics access STAR services more than others. These are people between the ages of 25 and 44, those with no disability, people from a white background and females. People from these groups, requiring non urgent support may experience a delay in receiving support as a result of the proposals.

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

Other groups	Impact of proposal: Describe the likely impact of the proposal on children in poverty or any other people who we consider to be vulnerable. List any vulnerable groups likely to be affected. Will their needs continue to be met? What issues will affect their take up of services/other opportunities that meet their needs/address inequalities they face?	Risk of negative impact: How likely is it that this group of people will be negatively affected? How great will that impact be on their well-being? What will determine who will be negatively affected?	Mitigating actions: For negative impacts, what mitigating actions can be taken to reduce or remove this impact for this vulnerable group of people? These should be included in the action plan at the end of this EIA.
Children in poverty	If the hard to heat homes programme to improve 1096 properties is spread over 2 years instead of 1, some children living in families with low income will be affected by the extension of the programme. This will mean that they will have to live in cold homes for longer or pay higher than normal energy bills to heat their homes.	Approximately 762 (70%) of the remaining hard to heat homes are houses where children are likely to live. The impact will only be for 1 year, the timescale for the programme extension	Work on properties to address hard to heat homes where children live, should be prioritised in the extended programme. Support should be provided by STAR and the Income Management Team to maximise income and help tenants apply for grants and to charities, where appropriate
Unemployed	Reducing the funding for the Neighbourhood Improvement Scheme (Leicester to Work) will	This will impact on 35 people over a 12 month period. The impact is likely to be minor as	None

	<p>impact on those people that are unemployed in the city as the opportunity to gain work experience from the council will be reduced. This will reduce the opportunity for 20 people in 2016/17.</p> <p>Pausing the intake of the Housing craft apprenticeship scheme for one year will reduce this opportunity for people looking for work / an apprenticeship in the city.</p>	<p>there are other work experience opportunities for unemployed people in the city</p>	
<p>Vulnerable people at a lower risk of homelessness</p>	<p>Tenants threatened with homelessness may be impacted by the budget savings to the STAR service. A reduction in the overall STAR case load may need to be reduced to reflect the reduced budget. This may lead to people requiring low level support not being able to access this support immediately. Delays in accessing support may lead to an escalated risk of homelessness</p>	<p>The impact of increased homelessness is low because the STAR service already has an eligibility criteria where those most in need can access support. Instead some people needing lower levels of support or advice may need to wait longer for this or seek help from other agencies.</p>	<p>Signpost tenants with lower level support needs to other services, where appropriate.</p>
<p>7. Monitoring Impact</p> <p>You will need to ensure that monitoring systems are established to check for impact on the protected characteristics and human rights after the decision has been implemented. Describe the systems which are set up to:</p> <ul style="list-style-type: none"> ▪ monitor impact (positive and negative, intended and unintended) for different groups ▪ monitor barriers for different groups ▪ enable open feedback and suggestions from different communities 			

- ensure that the EIA action plan (below) is delivered.

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Monitoring systems in place include:

- Complaints received
- Feedback from Tenants and Residents Associations
- Access to STAR services – number of tenants supported in each eligibility criteria
- Star records – income maximised for those families living in hard to heat homes and supported by STAR
- Income Management Team - rent arrears of those families living in hard to heat homes not supported by STAR

8. EIA action plan

Please list all the equality objectives, actions and targets that result from this Assessment (continue on separate sheets as necessary). These now need to be included in the relevant service plan for mainstreaming and performance management purposes.

Equality Outcome	Action	Officer Responsible	Completion date
Identify worsening situations for tenants as a result of the implementation of proposals	Analyse the monitoring information above to see if the proposals have had an impact on any particular group	Heads of Service	Quarterly monitoring

Tenant profile – November 2015

Age

Age of Applicant	Number of Tenants	% of Tenants
Under 18	2	0.01%
19-24	702	3.18%
25-44	7,990	36.17%
45-54	4,460	20.19%
55-74	6,238	28.24%
75+	2,552	11.55%
Unknown	146	0.66%

Disability

	Number of Tenants	% of Tenants
Yes	318	1.44%
No	21,772	98.56%
Unknown		

Type of Disability	Number of Tenants	% of Tenants
Physical Impairment	138	43.40%
Sensory Impairment	30	9.43%
Mental Health Condition	49	15.41%
Learning Difficulties	32	10.06%
Long Standing Illness	6	1.89%
Health Condition	-	0.00%
Multiple	63	19.81%

Ethnic Origin

Origin Type	Number of Tenants	% of Tenants
Asian	2,542	11.51%
Black	1,933	8.75%
Chinese	26	0.12%
Mixed / Dual Heritage	274	1.24%
White	11,543	52.25%
Other Ethnic Origin	470	2.13%
Not given / Unknown	5,302	24.00%

Religion or Belief

Religion	Number of Tenants	% of Tenants
Atheist	172	0.78%
Bahai	-	0.00%
Buddhist	5	0.02%
Christian	1,468	6.65%
Hindu	196	0.89%
Jain	3	0.01%
Jewish	1	0.00%
Muslim	984	4.45%
No Religion	1,451	6.57%
Other	224	1.01%
Prefer not to say	539	2.44%
Sikh	46	0.21%
Unknown	17,001	76.96%

Sexuality

Sexuality	Number of Tenants	% of Tenants
Bisexual	85	0.38%
Gay (female / lesbian)	25	0.11%
Gay (male)	27	0.12%
Heterosexual / straight	4,109	18.60%
Other	139	0.63%
Prefer not to say	678	3.07%
Unknown	17,027	77.08%
Gender Re-assignment	-	0.00%

Gender

Gender	Number of Tenants	% of Tenants
Male	8,952	40.53%
Female	13,137	59.47%

STAR client profile 2014 / 15

Age

Age of Applicant	Number of clients	% of clients
Under 18	1	0.31%
19 - 24	39	12.22%
25 - 44	145	45.45%
45 - 54	53	16.61%
55 - 74	56	17.55%
75+	7	2.19%
Unknown	18	5.64%

Disability

	Number of clients	% of clients
Yes	110	34.48%
No	204	63.69%
Unknown	5	1.56%

Ethnic Origin

Origin type	Number of clients	% of clients
Asian	22	6.89%
Black	45	14.10%
Chinese	0	0%
Mixed / Dual heritage	17	5.32%
White	221	69.27%
Other ethnic origin	10	3.13%
Not given / unknown	4	1.25%

Religion or belief

Religion or belief	Number of clients	% of clients
Atheist	3	0.94%
Bahai	0	0%
Buddhist	0	0%
Christian	64	20.06%
Hindu	3	0.94%
Jain	0	0%
Jewish	0	0%
Muslim	36	11.28%
No religion	73	22.88%
Other	2	0.62%
Prefer not to say	135	42.31%
Sikh	1	0.31%
Unknown	2	0.62%

Sexuality

Sexuality	Number of clients	% of clients
Bisexual	0	0%
Gay (female / lesbian)	1	0.31%
Gay (Male)	2	0.62%
Heterosexual / straight	28	8.77%
Other	0	0%
Prefer not to say	27	8.46%
Unknown	261	81.81%
Gender re-assignment	0	0%

Gender

Gender	Number of clients	% of clients
Male	125	39.18%
Female	194	60.81%

5. Background information and other papers:

6. Summary of appendices:

Appendix A: Future Investment Requirements

7. Is this a private report (If so, please indicated the reasons and state why it is not in the public interest to be dealt with publicly)?

No.

8. Is this a “key decision”?

No, as the decision will be taken by full Council.

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FUTURE INVESTMENT REQUIREMENTS

1. Decent Homes 20 year investment profile

Decent Homes

Expenditure on Decent Homes was predicted to be £16.2m in 16/17 rising to £18.4 the following year 2017/18 and then it falls back to £17.5m in 18/19 and 19/20. It stays at £17m for the next 9 years before rising to £23m in 27/28 and then reduces to £10m by 2031/32. These investment figures will however be affected by the four years of rent reductions.

Decent Homes is made up of 10 work areas:

Kitchen and bathrooms

Kitchens are refurbished every 30 years and bathrooms are refurbished every 40 years, the council has made a commitment to refurbish all kitchens and bathrooms by 2030, decent homes expenditure reflects this promise.

Rewires/Electrical upgrades

We plan to rewire a property every 30 years, however if when the wiring is tested it is determined that the wiring has another 10 years life the property is upgraded. This means that the consumer unit is replaced and wired-in smoke detection is installed. (Rewire costs are circa £2k and an upgrade £900). Proposed expenditure is required to maintain the 30 year life cycle.

Re roofing.

Properties are re-roofed based on the expected lifecycle of the roofing material, 100 years for slate and 60 years for concrete, etc. However a roof isn't replaced until it has been inspected.

Structural Works.

This is a demand led service; potential structural defects are reported by tenants. A technical inspection is carried out and remedial works carried out to rectify the problem. Proposed expenditure is based on historical data.

Windows and Doors

Windows are replaced based on a lifecycle of 40 years and after an assessment of their condition. The majority of the stock has had new UPVc windows and doors fitted, however investment is still required to complete those where the tenant refused to have the work carried out. The work is now primarily carried out when the property becomes void.

Boilers

Expenditure is calculated to replace central heating boilers every 15 years based on condition data from the annual gas service.

Condensation work

Expenditure is required to target properties that are suffering with condensation related damp problems. This may be because of their construction type or location. We offer property specific solutions using thermal imaging technology, carrying out minor improvements and giving practical advice to the tenant on how they help themselves. This is a demand led service and the expenditure required is based on historical data.

St Peters Tower Block Refurbishment.

The project to refurbish 4 tower blocks is now 50% complete. Expenditure is required to refurbish the remaining two blocks.

Soffits and Fascias

Replacements are carried out based on their condition, all replacements are pre-inspected or have been request by Housing Repairs for renewal because they are beyond economical repair. Replacing with UPVC will reduce long term maintenance costs.

Door Entry Systems.

We plan to refurbish existing door entry systems every 15 years, however the extent of the works required varies and a decision on what work is carried out is made on a case by case basis. Expenditure is based on historical data.

2. Estate, Energy Efficiency and other schemes Investment profile

2.1 Ongoing programmes

Description	Current programme 15/16	Ongoing programme per year	No. Per year	Total no. city wide	Total estimated cost	No. of years to complete at current expenditure.
Environmental Works and Communal Area improvements	£1.2m This budget covers a wide range of schemes agreed locally.	Budget led	Not applicable	Not applicable	Budget led	Ongoing
Disabled adaptations	£1.2m	Demand led	Demand led	Not applicable	Demand led	Ongoing
Supported Housing Improvements (ASC)	£100k	Based on condition	Scheme dependant	14 sheltered schemes	Budget led	Ongoing
Safety and fire risk works	£1.4m	Based on fire risk assessments	Scheme dependant	Not applicable	Demand led	Ongoing
Way lighting	£450k	£150k	Dependant on Scheme	500	£750k	5
Elevated walkways	£150k	£150k	Dependant on scheme	20	£150k	1

Description	Current programme 15/16	Ongoing programme per year	No. Per year	Total no. city wide	Total estimated cost	No. of years to complete at current expenditure.
Transforming neighbourhoods	£100k	Schemes identified within the Transforming neighbourhood programme				
Playground equipment	£100k (policy provision)	Budget led	Dependant on scheme	9	£270k	3
Concrete paths (area)	£200k	£100k	1,200sqm	15,400sqm	£1.1m	11
Energy initiatives for hard to heat homes	£550k	£550k	Dependant on scheme	Approx 1000	£550k	1
Loft insulation	£150k	Demand led	Demand led	Demand led	Demand led	Ongoing
Laybys and parking spaces on council estates	£50k from Env Imp Budget	Report prepared for St Matthews and Eyres Monsell	10	154 currently identified	£754	15
Balcony improvements	£290k	Programme completed 16/17.	6 blocks	6 blocks	£290k	0

2.2 Potential one off capital schemes for future years

Description	No of dwellings	Estimated £k	Notes
Investment in Shops	tbi	tbi	Investment Division leading on project
Braunstone North - External Wall Insulation	176	1,144,000	Assumes no subsidy
Central - External Wall Insulation	806	5,239,000	Assumes no subsidy
Humberstone - External Wall Insulation	88	572,000	Assume no subsidy
Saffron - External Wall Insulation	180	1,170,000	Assumes no subsidy
New Parks - External Wall Insulation	63	409,500	Assumes no subsidy
Individual meters for District Heating tenants	2,700	4,000,000	Soft market testing exercise completed, report detailing options available going to the Executive December 2015.
Goscote House refurbishment and redesign. Potential Conversion of lower floors to 2/3/4 bedroom Units.	132	5,000,000	Use as decants for the Tower Blocks will end in 2017. Consultants report commissioned to suggest future development options.
Building New Council Houses	TBI	£47k per house (Revenue)	We expect to lose 250 Council houses through Right to Buy this year.