

DECISION-MAKER:	CABINET		
SUBJECT:	HOUSING REVENUE ACCOUNT REVENUE BUDGET 2016/17 TO 2018/19		
DATE OF DECISION:	18 NOVEMBER 2015		
REPORT OF:	CABINET MEMBER FOR HOUSING AND SUSTAINABILITY		
CONTACT DETAILS			
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STATEMENT OF CONFIDENTIALITY
N/A

BRIEF SUMMARY

This report summarises the current budget position and outlines the initial draft budget proposals of the Executive for 2016/17 which will be used as the basis for consultation with a range of stakeholders over the coming months.

The results of the consultation exercise will be reported alongside the Executive's final budget proposals that will be presented to Cabinet on 9 February 2016 and recommended to Council on 10 February 2016.

The report deals with Housing Revenue Account (HRA) revenue services to Council tenants only as there is a separate report for the General Fund. Proposals for HRA capital expenditure will be presented early in the new year.

RECOMMENDATIONS:

- (i) To note the formal staff consultation on the Executive's draft budget proposals commenced on 9 November 2015 and public consultation will commence on 18 November 2015 and note the consultation proposals and methodology set out in paragraphs 4 to 10 of this report.
- (ii) To note the high level forecast for the HRA for 2016/17 and the underlying assumptions contained in the report.
- (iii) To note the Executive's initial savings proposals put forward for consultation in Appendix 1 which amount to £4.311M in 2016/17 and £4.439M in subsequent years.
- (iv) To note that the Executive's initial savings set out in Appendix 1 propose the deletion of 94.8 Full Time Equivalent (FTE) posts, of

which 57.2 FTE are vacant, leaving 37.6 FTE at risk of redundancy or TUPE transfer.

- (v) To note that the Executive's budget proposals for consultation are based on the assumption that they will recommend a rent decrease of 1% to Full Council in line with Government policy.
- (vi) To delegate authority to the Chief Financial Officer (CFO) and the Head of Housing Services following consultation with the Cabinet Member for Housing & Sustainability, to do anything necessary to give effect to the proposals contained in this report.

REASONS FOR REPORT RECOMMENDATIONS

1. The production of a financial forecast and an outline timetable are a requirement of the Council's Budget and Policy Framework Procedure Rules.
2. In addition, it is good practice for the Council to consult with a range of stakeholders on its proposals for developing the budget. The recommendations in this report have therefore been put forward to allow this process to formally begin.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

3. The proposals presented in this report represent the Executive's draft budget for 2016/17 that is being published for consultation. Clearly there are a huge number of variables and alternative options that could be implemented as part of the budget. The budget will be set by Full Council in February 2016.

DETAIL

BUDGET CONSULTATION

4. Where new proposals have been put forward these have been subject to consultation with the Council Management Team (CMT) and relevant Cabinet Members.
5. The Executive will undertake an extensive consultation process on their initial draft budget proposals following the production of this report. The Leader and the Cabinet are keen to listen to new ideas on how to reduce costs and to receive feedback on the potential impact of the proposals to help to finalise the Executive's budget to be recommended to Full Council in February 2016.
6. The consultation process has taken into consideration the feedback from the Tenants Resources Group (TRG) on the initial draft proposals and the TRG will continue to be involved in the development of the final proposals.
7. Consultation will be undertaken with Trades Unions and staff affected by the proposals in line with the agreed Human Resources (HR) policies.
8. Public consultation will be undertaken with any people or organisations affected by the proposals to ensure all options have been considered.
9. The General Fund report on this agenda outlines the process, including the methods of consultation that will be employed.
10. As the HRA budget proposals mean that more than 37 members of staff are at potential risk of redundancy, a minimum 45 day statutory consultation period is required. The consultation will commence on 18 November 2015 and will

continue until 13 January 2016 for the main budget proposals.

BACKGROUND

11. In their National Budget on 8 July 2015 the Conservative Government announced a number of proposals which are contained within the current Welfare Reform and Work Bill 2015-16 aimed at reducing the national welfare bill by £12bn a year. As part of these proposals the Government have proposed a 1% per annum reduction in the level of Social Rent charged by Local Authorities and Housing Associations to their tenants for a 4 year period from 2016 to 2020.
12. The Housing Revenue Account Business Plan as agreed by Council in February 2015 uses a rent model which follows the Governments National Rent Guidance formula. This provides for an annual rent increase of 1% above the Consumer Prices Index (CPI). The budget agreed by Council in February included assumptions of the CPI figure through the 30 year business plan and therefore the published budget and spending commitments were agreed based on the anticipated rental income that the increase would provide for over the next 30 years. These assumptions are updated annually based on long term financial assessments and reported to Cabinet and Council as part of the HRA Business Plan Budget report in February each year.
13. As a result of the proposals within the Welfare Bill, the new rental figures have been applied to the current business plan model. These new assumptions have the effect of both reducing the actual income within the HRA over the four years of the rental reduction, as well as the income over the duration of the business plan, as it is currently assumed that the Government will return to the rental formula previously in place. As reported to Cabinet in August, the reduction in Social Housing Rents has a significant impact on the HRA Business Plan. Based on the assumptions agreed by Council in February 2015 this has the impact of reducing the actual income within the HRA over the next 4 years by £33M and over the 30 year business plan by £493M. The immediate shortfall is addressed through the range of savings proposals set out in this report.

THE HOUSING BILL and other potential pressures

14. On 13th October 2015 the Government published the Housing and Planning Bill 2015/16. This bill sets out a number of proposed changes to Housing Legislation which will impact on the current delivery of services to tenants and the resources required to do so. In summary the main proposals likely to affect the HRA Business Plan are as follows:
15. Extension of the Right to Buy
 - Following a deal struck between the Government and the National Housing Federation, whereby housing associations will extend the right to buy to their tenants on a voluntary basis, the Bill will enable the Government to make payments to associations to compensate them for the cost of the discounts on offer.
 - The Bill will also allow the Government to publish 'the home ownership criteria' (a set of rules for the extension of right to buy) and to direct the Homes and Communities Agency to monitor associations' compliance

with the criteria.

Although not directly applying to Local Authorities it is predicted that initially around 10% of homes owned by Housing Associations may be sold under the new Right to Buy proposals and this will have the impact of reducing the supply of affordable housing within the City by around 600 homes placing pressure on waiting lists and potentially homelessness in the City.

16. Sale of High Value Vacant Council Homes

- The government has previously announced a plan to require local authorities which have retained ownership of their stock to sell high value homes as they become vacant. It intends to use some of the receipts from these sales to fund the extension of the right to buy to housing association tenants.
- The Bill will enable the government to set out a definition of 'high value' homes and will create a duty on local authorities to consider selling homes that meet this definition when they become vacant.
- The Bill will also allow the government to estimate the amount of money it would expect each individual authority to receive, in each financial year, from sales of high value homes. Authorities will then be required to pay this amount to the Treasury.
- Details of both the definition of high value homes and the mechanism by which the government will calculate the amount owed by each stock retaining authority will be published at a later date.

Once full details are published we will be able to review the impact on the HRA Business Plan both in the potential number of homes that will be required to be sold and the amount due to be paid to the Government under the annual calculation. At this stage it has not been possible to make any provision for this within the Business Plan.

17. High Income Social Tenants; Mandatory Rents (Pay to Stay)

- The Bill will require social tenants with a higher income to pay a higher rent. Initially a 'higher income' will be defined as a household earning more than £30,000 per year, or £40,000 in London. However the government will set out details of how increased rents will be calculated at a later date.
- The Bill will require social tenants to declare their income to their landlord and will also allow social landlords to share data with HMRC in order to verify that the information they have been given is correct.
- The Bill will require local authorities to return any additional rental income generated by the policy (minus administrative costs) to the Treasury.

The Government are currently consulting on this proposal and therefore guidance is expected on how it will operate later in the year. At this time it is difficult to anticipate the impact in Southampton however both the requirement to collect income data from tenants and the requirement to collect and then pay to Government higher rents will have an administrative burden on the City Council for which no provision is currently made.

18. Lifetime Tenancies

Whilst at this time not specifically mentioned within the Housing Bill it was

announced in the Budget in July that the Government was undertaking a review of the practice of granting Lifetime tenancies to tenants of affordable housing. The Government is expected to propose that lifetime tenancies are replaced with 'flexible tenancies' for a period between 2 and 5 years and this requirement will be introduced as an amendment to the Housing Bill during its passage through Parliament.

If this is introduced there will be a requirement on all landlords to review every new tenancy based on the length of the tenancy. The City Council currently lets on average around 1,100 homes each year. This will increase housing turnover. This review requirement will increase the administrative burden on the City Council as well as potentially increasing both the costs of managing empty properties and the lost rent whilst a property is empty. No provision is currently made for these potential costs.

19. Universal Credit

The Government has begun the roll out of Universal Credit to all new applicants in a series of phases. It is anticipated that full roll out in Southampton will be undertaken by 2017. Universal Credit is a combined single transaction incorporating most state paid benefits into one monthly payment to the claimant. This includes a provision for Housing costs currently covered under Housing Benefit.

Universal Credit is paid directly to the claimant in arrears and the individual is then required to budget for and make the necessary payments for their household expenses in order to help prepare individuals for work.

Presently approximately 50% of the Council's rent income from around 60% of its tenants comes direct through the Housing Benefit system. Once Universal Credit is rolled out the Council will need to collect all its rental income directly from tenants significantly increasing transactional costs and based on the evidence from the pilot areas the arrears of rent will increase impacting on the City Council's ability to fund its proposed expenditure. Whilst some consideration has been given to the bad debt provision within the HRA Business Plan and the resources in the Income Team to support increased customer contacts no provision has yet been made for the additional transaction costs or the reduction of current tenant collection rates.

THE HRA BUSINESS PLAN PRIORITIES

20. The HRA Business Plan forms a fundamental part of the City Council Strategy 2014-17 – Good Quality and Affordable Housing. Resources are prioritised to the investment in improving the quality of accommodation and provide more affordable housing through the business plan headings as follows:

- Safe, wind and weather tight;
- Warm & Energy Efficient;
- Modern facilities within the home;
- Well maintained communal facilities;
- Estate Regeneration; and
- New Build.

The Council is required to maintain its homes in accordance with the Homes and Communities Agency Regulatory Standard. This includes ensuring that

Council owned homes continue to meet the Decent Homes Standard as well as ensuring we meet all our statutory compliance obligations as laid down in various regulations and legislation e.g. gas safety, electrical regulations, fire risk assessments, control of asbestos etc.

21. In addition to the physical accommodation the Council's Housing Service plays a key role in two other elements of the City Council Strategy:
 - Prevention and Early Intervention; and
 - Protecting Vulnerable People.

Work to support these elements of the Strategy are prioritised under the following headings.

22. Tenancy Sustainment

The Council recognises that a settled home is a fundamental building block to independence and quality of life. Families and individuals who experience a housing crisis are often suffering wider issues which require the intervention of wider Council or Health services. Therefore maintaining a settled home by sustaining a tenancy either in the social or private rented sector supports better life chances for the individual and household including better health outcomes, educational attainment and reduced demand for social care services.

Housing Services is therefore committed to supporting:

- Homelessness prevention;
- Minimising tenancy failure;
- Safeguarding vulnerable adults and children; and
- Families Matter.

23. Housing and well-being

Housing Services supports some of the most vulnerable residents in the City from those who are Street Homeless through to Elderly Vulnerable residents in Extra Care Housing. By working with vulnerable groups through a 'Housing Plus' approach Housing can prevent or delay recourse to expensive social care or health services and help reduce crime and offending.

Housing Services is therefore committed to supporting:

- Outreach and support services helping residents self-manage, avoid crisis to remain healthy for longer;
- Adaptations and Telecare Services enabling more people to live independently in their own homes;
- Investment in Housing with care accommodation reducing demand for high cost residential and nursing care; and
- Community investment through Neighbourhood Wardens, Decent Neighbourhoods projects and Community Engagement to support active and vibrant communities where residents feel safe.

TRANSFORMING OUR HOUSING OPERATIONS SERVICE

24. In November 2014 Housing Operations began the roll-out of mobile working to its trade workforce. This followed a two-year programme of reviewing business processes with a view to achieving significant improvements to service delivery to tenants whilst reducing waiting times and costs. The roll-out was

undertaken in phases through to February 2015.

25. Additionally, from January 2015 Savills (UK) Ltd has been supporting the Housing Operations Management Team in delivering a programme of other improvements to increase the efficiency of the service model to effectively deliver the same service capacity with reduced staff. The programme of change has focussed on the following four areas:
- Performance Management – recording, target setting and reporting;
 - Materials Management – van stocks, movement logistics and procurement;
 - Repairs Diagnosis – schedules, time allowances and call handling; and
 - Supervision – management responsibilities, accountability and performance management.
26. As part of their review, Savills also identified the target operating numbers for April 2016 within the Housing Operations service based on work volumes at the time. The changes now proposed in the following paragraphs will represent the development of a strong, efficient and viable Housing Repairs service which supports the retention of the Housing Operations service as part of the Council's operating model.
27. Trades staff¹

In January 2015 the total number of trade staff employed by the City Council was 240 including those on fixed term contracts and through agency. This was above the agreed staffing establishment of 224 primarily as a result of addressing work backlogs due to the severe weather from the winter of 2014. It was Savills' view in July 2015 that based on the volume of work within the main operating areas of Day to day repairs & voids, Gas and Electrical safety servicing and Capital & Projects the target workforce numbers for April 2016 would be 171.

However a number of improvements in how the service manages have now been taken into account, namely:

- A significant reduction in sub-contracting core work in Repairs and Electrical work has meant an increased volume being managed within the service at a similar or lower cost than previously contracted services;
- A fundamental review of the delivery of kitchen, bathroom and adaptations work has reduced the unit cost to that comparable with our external contractors resulting in a higher volume of work going through our in-house team; and
- A review of overheads has supported more project work to be undertaken by our in-house team.

As a result of these changes a review of the workforce numbers has resulted in a proposed workforce establishment for April 2016 of 188. This represents a reduction in the trade workforce of 22% from January 2015 with increased work volumes and therefore brings the service in line with national benchmarks. This efficiency within the workforce will not result in a reduced service to

¹ Trades figures do not include 16 apprentices in the service

residents but will represent a significant improvement in value for money.

28. Management and support staff

In January 2015 the total number of managers and support staff in the Housing Operations service was 89.5 including those on fixed term contracts and through agency. It was Savills' view that this side of the operation would also need to reduce due to the efficiencies within the business and it was their view that by April 2016 the target numbers would be 62.

Feedback from Unions over the last 6 months has been that in their view the ratio of management to trades was not correct, increasing the overhead on the business and reducing its competitiveness on external work. In addition as part of the work under the Supervision element of the project further opportunities for improvements to the service have been identified allowing the service to be run more efficiently.

Therefore, taking these issues into account the proposed management and support workforce establishment for April 2016 is 53. This represents a reduction in the management and support workforce of 40% from January 2015. This efficiency within the workforce is not expected to result in a reduced service to residents but will support improved value for money by reducing the business overheads.

29. When brought together these efficiency improvements will represent a saving to the HRA of approximately £2.1M each year without any anticipated direct impact on the quality of service to tenants. The Tenants Repair Panel have been consulted and updated throughout the transformation programme and have been very supportive of the work undertaken to-date. In addition, the changing business model also allows Housing Services to make further efficiencies in the repairs budgets and specifically in the total cost of dealing with empty properties (voids). Better management, co-ordination, scheduling and cost control will allow a 20% reduction in the cost of preparing a void ready for re-letting resulting in a saving to the HRA of approximately £500k each year. This saving can be achieved without a reduction in the void standard.

SAVINGS PROPOSALS

30. Appendix 1 to this report outlines the full list of budget proposals with the HRA for consultation with a description of each proposal and its impact. For clarity a number of proposals are summarised below.

31. Income proposals

A full review has been undertaken of the cost of providing services and the income received and this has resulted in a number of proposals being brought forward.

- Garage rents – the rent paid by private residents who rent a garage from the Council is lower than the market rent for a parking space or garage within the city. Therefore Council Tenants are effectively subsidising a service to private residents on our estates. However this has to be balanced with a rent level which does not reduce demand. Therefore an additional weekly increase is proposed for private residents to rent a Council garage.
- Careline Charges – the weekly charge for a careline service has not

increased for 10 years therefore an increase will be proposed to reflect the current cost of the service balanced with providing a product that remains competitive.

- Community Alarm Charges – the current cost of providing the service is significantly higher than the charge to tenants. A new charging model is proposed that better reflects the cost of service and provides choice to residents on the service they receive in a similar way to our Careline service.

32. Cash Collection at Local Housing Offices

Over 70% of payments made to Housing Services are made via paypoint cards, direct debit, standing order and on-line. Earlier this year we introduced a new on-line rent account facility that makes it far easier for residents to view their account and make payments. The roll-out of Universal credit will increase the use of bank accounts and therefore make it easier for tenants to set up direct debits. Therefore as more Council services go online and customers choose the internet as their preferred method of interacting with the Council we are anticipating a reduction in face to face payments and therefore we propose the phasing out of cash collection facilities at the remaining two Local Offices where this facility is available over the next 2 years. The Council will still retain its Local Housing Offices and tenants can still meet with Housing staff at their convenience.

33. *Tenants Link* & *Homebid* Magazines

Over the next six months Housing Services will introduce an online Housing Application process and more accessible information for properties through its Homebid system. 96% of all bids for properties are made online and therefore we propose to phase out the printed fortnightly magazine.

Tenants Link is currently provided 4 times a year to all tenants in the City. The proposal would see a retained annual report (which the council is obliged to publish) edition of *Tenants Link* but a shift to a more regular online edition of news and information for tenants accessible through the Internet, Stay Connected and Housing's Facebook and Twitter pages.

34. Tenants Incentive Scheme

Currently tenants who wish to move to smaller accommodation can receive an incentive payment of £850 to downsize. However there is little evidence that this actually acts as an incentive for tenants to move to smaller accommodation. Further, whilst the Council has a high demand for larger family homes the incentive is received regardless of the type of property the tenant moves into. Additionally, due to the Council policy of restricting transfers for tenants with arrears often the incentive payment is simply used to offset any rent arrears. Therefore it is proposed that the scheme is targeted in future at tenants freeing up larger family homes by moving into supported housing or to homes that may have already been adapted for people with disabilities. A repayment programme for any arrears would be agreed to enable such moves and these would no longer be cancelled out with the payments of up to £850.

35. Apprentices

Housing is committed to providing an apprenticeship programme both within its

own workforce and with its contractors. Housing services continues to have a strong apprenticeship programme in its trades areas however it has been less successful in office apprenticeships due to the difficulty accessing the relevant professional Housing training through local colleges. Therefore it is proposed to focus the future apprenticeship programme within our trades staff and within the proposed restructure of Housing Operations management and support (as detailed above) a new post will be established to lead on apprenticeships within our service and with our contractors.

STAFFING IMPLICATIONS

36. Housing Operations

In paragraphs 24 to 29 above, we have described the transformation of the Housing Operations service over the last 10 months. During this period of transformation there has been a natural reduction in a number of staff across both the trade and the management and support workforce as a result of staff leaving, retirements etc. Therefore whilst the total establishment reduction proposed is 62.6FTE the total number of permanent staff in post is actually 25. Within the trades areas it is anticipated that the proposed reduction can be achieved through natural changes and a small targeted reduction in one trade. Within the management and support teams we will be implementing a full restructure to achieve the new management model and it is likely that for a small number of staff we will require a voluntary solution as outlined below.

37. Vacant Posts

A full review of all vacant posts has been undertaken throughout Housing Services and where possible these posts have been released to bring forward savings without directly affecting current staff. Outside of Housing Operations this represents a reduction of 19.6 FTE vacant posts.

38. Current Posts

The savings proposals outside of Housing Operations identify 12.6 FTE in currently occupied posts. These proposals are reflected over a 2 year period from April 2016 to March 2018 and these posts are split as follows:

- 4.9 FTE reduction in 2016/17
- 7.7 FTE reduction in 2017/18

39. Through the consultation process the Executive is keen to explore all avenues with the Trade Unions and staff to identify wherever possible alternative options for delivering savings, in order that the level of proposed staffing reductions and redundancies can be minimised.

40. The Executive will also continue to ensure that impacted staff are aware of all the available options which can be used to avoid compulsory redundancies and this will include:

- Early retirement,
- Flexible retirement,
- Voluntary redundancy and
- Reduced hours

41. In addition, the City Council has a track record of using its redeployment policies to minimise any compulsory redundancies arising out of the budget proposals and the Executive will seek to support employees who find themselves on the redeployment register as a result of savings implemented as part of the 2015/16 budget.

DETAILED FINANCIAL PROPOSALS

42. The February 2015 approved HRA Business Plan made certain assumptions about the level of rental income that would be received over 30 years based on Government guidance that provided for an annual rent increase of CPI plus 1%. It assumed that on average CPI would be 2.5% per annum over the life of the plan. This was in line with average inflation figures over the past ten years and published forecasts. However, the actual CPI in September 2015, which would have been used to set the rent increase, was minus 0.1%. Forecasts currently predict that the September 2016 figure will be 1.5% before reverting to 2.5% in subsequent years.
43. As described in paragraph 13 of this report, the revised estimate of rental income compared to the approved HRA Business Plan shows a reduction of circa £33m over the next 4 years. This is set out in more detail in table 1, which follows this paragraph. The income loss has been split between the element that can be attributed to the CPI being lower than anticipated and that due to the change in Government guidance.

<u>TABLE 1 - HRA Rental Income - Impact of 1% rent reduction for four years</u>					
	Income Loss				
	2016/17	2017/18	2018/19	2019/20	TOTAL
	£M	£M	£M	£M	£M
Reduction due to CPI forecast variance	1.88	2.66	2.72	2.84	10.10
Reduction due to change in Government guidance	1.38	3.90	7.14	10.61	23.03
Total reduction	3.26	6.56	9.86	13.45	33.13
Revenue Efficiency Savings	(3.43)	(3.44)	(3.53)	(3.62)	(14.02)
Increased Income	(0.28)	(0.29)	(0.29)	(0.30)	(1.16)
Revenue Service Reduction	(0.60)	(0.81)	(0.83)	(0.85)	(3.09)
Total savings proposals	(4.31)	(4.54)	(4.65)	(4.77)	(18.27)
Budget gap	(1.05)	2.02	5.21	8.68	14.86

44. Table 1 above also shows the extent to which the savings proposals, set out in Appendix 1 of this report, would address the income shortfall, if they were to be approved. It can be seen that the sum of the proposals, including

appropriate inflation assumptions, would offset the income reduction in 2016/17 and all but £2.02M of the shortfall in 2017/18. However, if the proposals were implemented in line with the suggested profile, there would be an increase in balances in 2016/17 of £1.05M that would require further savings of £0.97M to set a balanced budget in 2017/18. However, it should be noted that savings will be required over the next four years, not just two. Making more savings in the first year than required will ease this process, but significant further savings will have to be found in the new financial climate to make the HRA sustainable and balanced beyond 2017/18.

FUTURE BUDGET YEARS AND THE CAPITAL PROGRAMME

45. In order to complete a revised HRA Business Plan for approval by Council in February 2016, it will be necessary to consider the implications of the reductions in rental income over the full 30 years of the plan. It is envisaged that this will involve setting a target level for further revenue savings. However, as over £9M per annum of the HRA Capital Programme is currently funded from Direct Revenue Financing (DRF), in addition to the Government prescribed depreciation contribution, the review of HRA revenue expenditure will need to include the level of DRF. This may result in a reduction in planned capital expenditure when the next update of the HRA Capital Programme is presented to Council in February 2016. The allocation of resources will be made with reference to the capital priorities and Regulatory Standard described in paragraph 20 of this report.

EQUALITY AND SAFETY IMPACT ASSESSMENTS

46. The Equality Duty is a duty on public bodies which came into force on 5 April 2011 and requires the Council to show that it has 'had regard' to the impact of its decisions on its equality duties and the need to advance equality of opportunity between people who have protected characteristics and those who do not.
47. While the Equality Duty does not impose a legal requirement to conduct an Equality Impact Assessment, it does require public bodies to show how they considered the Equality Duty and that they have been consciously thinking about the aims of the Equality Duty as part of the process of decision-making. To comply with these requirements as well as the Community Safety legislation, the Council has used its existing Impact Assessment framework so that it can ensure the use of a consistent, Council wide mechanism to evidence how decision making took into account equality and safety considerations. In addition, in light of the potential impact of the welfare reforms on some residents, the assessments also take into account the impact on poverty.
48. Draft individual Equality and Safety Impact Assessments (ESIAs) have been completed by Directors and Heads of Service for those proposals contained in Appendix 1 that they identified require such an assessment, as they could have an adverse impact on a particular group or individuals. The draft individual ESIAs are available in Members' Rooms.
49. The individual ESIAs will be analysed to consider the cumulative impacts the draft budget proposals may have on particular groups and the mitigating actions that could be considered. In order to give the right perspective to the

draft budget proposals, the Cumulative Impact Assessment has to be considered in light of the available information on the City's profile, service user and non-user information and staffing profiles as well as the proportion of the Council's budget that is currently spent on targeted groups or communities. The first draft of the Cumulative Impact Assessment will be completed by a central team of officers within the Council, based on the initial ESAs completed by service managers.

NEXT STEPS

50. This report represents an important step in the process leading to the setting of the 2016/17 HRA budget and signals the start of an extensive consultation programme.
51. Further proposals for the HRA budget will continue to be developed and will be prepared for presentation to Cabinet and then full Council in February 2016.

RESOURCE IMPLICATIONS

Revenue

52. The revenue implications are set out in paragraphs 42 to 44 of the report.

Capital

53. The capital implications are referred to in paragraph 45 of the report.

Property/Other

54. None

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

55. Under the Housing Act 1985 the authority is able to increase rents and other associated or like charges. There are no specific legal implications arising from the savings proposals contained in this report.
56. Under the Housing Acts 1985 and 1996 and the Localism Act 2011, the authority has the power to provide, maintain and improve social housing
57. The Localism Act 2011 gives the statutory basis for the HRA self-financing arrangements set out in this paper.

Other Legal Implications:

58. Any proposals of a housing management nature (which include the management, maintenance, improvement or demolition of dwelling-houses let by the authority under secure tenancies, or the provision of services or amenities) will have to be the subject of statutory consultation if secure tenants are likely to be substantially affected by the changes.

POLICY FRAMEWORK IMPLICATIONS

59. The HRA estimates form part of the Council's budget and are therefore key elements of the overall budget and policy framework.

KEY DECISION? Yes/No

WARDS/COMMUNITIES AFFECTED:	ALL
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SUPPORTING DOCUMENTATION

Appendices

1.	Housing Revenue Account – Budget Savings Proposals 2016/17 to 2019/20
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Documents In Members' Rooms

1.	None
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Equality Impact Assessment

Do the implications/subject of the report require an Equality and Safety Impact Assessments (ESIA) to be carried out?	Yes
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Privacy Impact Assessment

Do the implications/subject of the report require a Privacy Impact Assessment (PIA) to be carried out?	No
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Other Background Documents

Equality Impact Assessment and Other Background documents available for inspection at:

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
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1.	Housing Revenue Account Revenue Budget Report and Business Plan – Approved by Full Council on 11 February 2015.	
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