

To the Chair and Members of Cabinet

Housing Revenue Account Budget 2017/18

Relevant Cabinet Member(s)	Wards Affected	Key Decision
Councillor Jane Nightingale	ALL	Yes

EXECUTIVE SUMMARY

1. This report sets out the Mayor's proposals for the 2017/18 Housing Revenue Account (HRA) Budget. The report focuses on the following key areas:-
 - the level of the Council's housing rents for 2017/18; current average rent is £70.92 per week which is the lowest within South Yorkshire, rents will decrease by 1%
 - the Housing Revenue Account (HRA) budget proposals for 2017/18
 - the medium term financial forecast for the HRA which includes estimated budgets for 2018/19, 2019/20 and 2020/21; the HRA budget follows the budget strategy as set out in previous years and maintains a reserve of £4.0m within the HRA, the budget for 2017/18 is a balanced budget (income equals expenditure) and
 - the level of fees and charges for 2017/18 as detailed in paragraph 13.

EXEMPT REPORT

2. Not applicable.

RECOMMENDATIONS

3. Cabinet is asked to note the report and recommend to Council to approve the Housing Revenue Account budget proposals as set out in this report and including:-
 - i. Rents are reduced from 3rd April 2017, by 1.0% as detailed in paragraphs 7 to 10 in line with Government policy. This will result in an average weekly rent decrease of £0.71, resulting in an average rent of approximately £70.21 per week. Rents will be charged every week of the year.
 - ii. The budget proposals for the HRA for 2017/18, which are contained in Appendix A. These proposals set a balanced budget for the HRA and maintain a reserve of £4.0m;
 - iii. Fees and charges set out in paragraph 13.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

4. The Council provides housing to over 20,000 residents through the housing stock within the HRA. The majority of these properties are let at social rents which are currently the lowest within South Yorkshire and they will continue to be after this decrease. The proposals within this report mean that the existing tenants of these properties will pay lower rents in 2017/18. Reducing the rents does not prevent the Council from continuing to provide quality social housing maintained to the Doncaster decency standard but significantly reduces the number of new properties which will be built in the future in order to provide additional accommodation for those in need of social housing.

BACKGROUND

5. The Housing Revenue Account budget for 2016/17 was approved on 3rd March 2016. Since then the regular financial management reports to Cabinet have provided the latest projections of the 2016/17 financial position.

The underlying principles for HRA budgets had been agreed in previous years,

- that rents would remain at affordable levels;
- where properties are relet it is at target rent; and
- that surplus resources within the HRA would be used to provide additional council housing, either new build or acquisitions.

This would have continued if it had not been for the announcements in the Government's Summer Budget, 8 July 2015. The major change which was implemented in 2016/17 is a 1% rent reduction for four years, from 2016/17 to 2019/20. There are two other potentially major impacts;

- The sale of vacant higher value local authority housing stock (not now an issue until 2018/19) and
- Changes to welfare benefits

The full details and financial implications of these proposals are still unknown. Further commentary is provided in paragraph 14.

BUDGET PROPOSALS 2017/18

6. The Budget proposals for 2017/18 are shown in detail at Appendix A. The key features are as follows:-
 - a) A reduction in rents of 1.0% with effect from 3 April 2017 (see paragraphs 7 to 10 for more details);
 - b) Dwelling rent income is expected to be £0.687m lower at £73.0m due to the effect of the rent reduction and the projected number of Right to Buy sales, new build properties, acquisitions and void (empty) properties;
 - c) As and when properties become empty they will be advertised and relet at target rent (see paragraph 11 for definitions of rent) minus 1.0% (2016/17 reduction)

minus a further 1% (2017/18 reduction) based on target rent calculations as at July 2015.

- d) The majority of HRA services are provided by St. Leger Homes of Doncaster (SLHD). The management fee paid to SLHD reflects an additional payment of £0.277m due to the introduction of the apprenticeship levy and as a result of the cost of delivering an improved void standard which has yielded additional income of £281k during the first nine months of implementation. The details of the SLHD management fee calculations are shown at Appendix B. Inflationary increases such as pay award, increments and other increased costs have not been paid to SLHD for 2017/18 who have managed these costs from efficiencies and savings. The management fee paid from the HRA for 2017/18 is £27.629m;
- e) The freeze on the management fee paid to SLHD for general expenditure excluding growth items and policy changes is in line with a three year budget strategy agreed in February 2014 which means that SLHD has to fund any inflationary costs from within the business;
- f) There is a budget of £0.756m within the HRA to assist tenants to deal with changes as a result of welfare benefit reform. Both the usage and the policy will be kept under review as further changes to welfare benefits are rolled out;
- g) The number of Right to Buy sales continues to be monitored and total sales to the 31st December 2016 were 120 giving an average of 3.0 sales per week (compared to 2.2 per week as of December 2015). A projected level of 160 sales, 15 proposed demolitions/disposals, 79 new build and/or acquisitions and a void rent loss percentage of 1.5% have been used for calculating the rental income budget for 2017/18;
- h) Housing Subsidy (the historic Government grant system for the HRA) was abolished with effect from 1 April 2012 and the HRA became self-financing. A self-financing HRA needs to fund both its revenue services and deliver the investment/capital programme from rent income;
- i) Following the introduction of self-financing for the HRA a longer term view (30 years) is taken on HRA budgets to ensure that there is sufficient funding available in future years to maintain the properties at the Doncaster decency standard, deliver other investment needs and day to day services;
- j) A prudent level of balances for the HRA is considered to be £4.0m. This is an increase from £3.0m in previous years and reflects the potential unknown effects of changes to welfare benefits. Any surplus funds in excess of this, £0.840m, has been transferred to the housing public sector capital programme to fund investment in the housing stock and the programme for building more council houses.

A balanced budget will be set for 2017/18. This will maintain an estimated reserve within the HRA of £4.0m by 31 March 2018.

RENT LEVELS

- 7. On 8 July 2015 the Government held a Summer Budget and announced in that Budget that all social housing rents would reduce by 1% a year for the next four years from 2016/17 to 2019/20. This announcement is being forced upon Local

Authorities through the Welfare Reform and Work Act 2016. Over the four year period 2016/17 to 2019/20 there will be £25.9m less resources available compared to the previously budgeted figures and over the 30 year business plan there will be £310m less resources available.

8. Previous assumptions in the 30 year business plan were that any resources in excess of the minimum level of balances required would be invested into the capital programme, these excess resources were estimated at £310m and the majority of these resources would have been invested in new build council houses and these houses would have generated additional rent income. The total estimated reduction in resources available over a 30 year period is £457m.
9. Rents in Doncaster are the lowest of all South Yorkshire Councils based on the 2015/16 financial year (according to the latest published figures from CIPFA, Chartered Institute of Public Finance and Accountancy).
10. There are five different ways in which rents will change during 2017/18, (different types of rents are defined in paragraph 11);

Existing tenants (social rent) – rent will be reduced by 1%;

New tenants into existing (social rent) housing stock – if the tenancy changes during 2017/18 the property will be relet at the 2015/16 target rent minus 1% (2016/17 reduction), minus a further 1% (2017/18 reduction);

New council housing, either new build or acquisitions (funded wholly from Council resources, social rent) – when new properties are completed the target rent will be calculated for these properties and then adjusted for minus 1% (2016/17 reduction) and a further 1% (2017/18 reduction);

New council housing, either new build or acquisitions (funded with an element of Government grant, affordable rent) – when new properties are handed over both the target rent and affordable rent will be calculated for these properties, the rent charged will be the higher of the of the two figures and

Affordable rent properties – the rent will be reduced by 1% for existing tenants. If there is a change of tenancy a new affordable rent calculation will be carried out and the new rent will be the affordable rent (1% reductions are not required).

RENT DEFINITIONS

11. Target rent (sometimes referred to as formula rent) for each property is calculated using the following formula;
 - 70% of the national average rent (April 2000) multiplied by relative county earnings (1999 levels) multiplied by a bedroom weighting (higher weighting for larger properties) plus 30% of the national average rent (April 2000) multiplied by relative property value (January 1999).

This calculation gives a target rent figure for the financial year 2000/01. It has then been updated each year by R.P.I plus 0.5% up until 2014/15. In 2015/16 the target rent was increased by CPI plus 1% (2.2%), the average target rent in Doncaster for 2015/16 was £75.26 per week. The target rent figure for 2015/16 is the base figure used for calculating target rent in future years. The 2016/17 target rent figure

(£74.65 per week) is 2015/16 minus 1% and the 2017/18 figure (£73.90 per week) is reduced by a further 1%.

12. Affordable rents – Affordable rent is defined as 80% of open market rent. These figures are calculated on an individual basis for each property by a qualified surveyor. These rents will all be reviewed in March 2017 and this will be the basis of the rent charged if there is a tenancy change during the year, if there is no tenancy change then rents will reduce by 1%. A number of properties which are now in the HRA have either been built or acquired with the assistance of some grant funding from the Homes and Communities Agency (HCA). One of the grant conditions for these properties is that they are let at affordable rents (or target rent if that is higher). The current average rent for these tenancies is £89.38 per week and this will reduce to £88.49 per week in 2017/18.

FEES AND CHARGES

13. Small numbers of properties are affected by fees and charges and they will remain unchanged for 2017/18. A review of fees and charges is planned for 2018/19 to ensure that the charges cover the costs incurred but that the cost of administering any increase does not outweigh the financial benefits. The following recommendations are proposed in respect of fees and charges for 2017/18:-

- a) That the charges for garages and garage sites are frozen.
- b) The bio mass district heating boiler at Ennerdale provides heating and hot water to the bungalows at Ennerdale and the properties in Jubilee Court. The current charge for heating at this scheme is 5.80p per unit (plus VAT). This scheme is forecast to breakeven in 2017/18. It is therefore recommended that the charges remain the same. The average annual charge for these properties is £331.
- c) The district heating charge for properties on the Balby Bridge estate will remain at 6.09p per unit (inclusive of VAT) which is equivalent to 5.80p per unit plus VAT. The average annual charge for these properties is £205.
- d) The 41 properties at Milton Court do not have individual meters, the current charge is between £6.40 and £6.80 per property per week and these charges will remain unchanged.
- e) The current enclosed garden charge is between £2.42 and £4.00 (inclusive of VAT) per week dependent on the size of the garden and will remain unchanged. This is available as a whole year service (charged every week) or as a part year service (charged for 34 weeks). This service is an optional service, it is not eligible for housing benefit and it is available to all tenants.
- f) A furnished tenancy charge was introduced during 2014/15. This service is only available to young adults leaving care, which was estimated at up to 5 per year (currently there are two furnished tenancies). The furniture is provided and repaired by an external provider and the charge for 2017/18 will be £19.91 per week, this charge remains unchanged. The charge is collected by the Council and then paid over to the provider. The furniture charge is paid in addition to the tenants' rent, the charge covers the rental, repair and when necessary the replacement of the furniture.

- g) That the leaseholder's service charges are calculated based on the actual costs of providing the services and repairs and maintenance to the property.

The table below summarises the fees and charges that are included within the HRA budget assumptions.

<u>Fee</u>	<u>Current Charge 2016/17</u>	<u>Proposed Charge 2017/18</u>	<u>Budget Implication</u>
Garages	£5.14 per week (charged every week)	£5.14 per week (charged every week)	Nil
Garage charges to non tenants	£6.17 per week (charged every week)	£6.17 per week (charged every week)	Nil
Garage Sites	£0.88 per week	£0.88 per week	Nil
Garage site charges to non tenants	£1.06 per week	£1.06 per week	Nil
District Heating - Balby Bridge	5.80p per unit (excluding VAT) 6.09p per unit (inclusive of VAT)	5.80p per unit (excluding VAT) 6.09p per unit (inclusive of VAT)	Income dependant on ticket sales, usage is estimated to be less due to investment
District Heating – Milton Court Bedsits One bedroom Three bedroom	 £6.40 per week £6.50 per week £6.80 per week	 £6.40 per week £6.50 per week £6.80 per week	Nil
District Heating - Ennerdale	5.80p per unit 6.09p per unit (inclusive of VAT)	5.80p per unit 6.09p per unit (inclusive of VAT)	Nil
Enclosed Garden Service	Between £2.42 and £4.00 per week (charged every week or 34 weeks)	Between £2.42 and £4.00 per week (charged every week or 34 weeks)	Nil
Furnished Tenancies	£19.91 per week	£19.91 per week	Nil

14. Other announcements within the Summer Budget 2015 were;

The sale of Vacant Higher Value Local Authority Housing Stock – the Housing and Planning Act 2016 gives the Government a mechanism to collect a payment from Local Authorities which they will then use to fund the Right to Buy (RTB) in Housing Associations. There are no details within the Act about how this payment will be calculated and it is therefore very difficult to plan for the impact of this, the likely introduction date is during the 2018/19 financial year. Currently the majority of resources within the HRA are committed to either revenue or capital budgets,

therefore whatever the size of this payment which has to be made to the Government it is likely that it will have to be funded from the sale of vacant properties (not necessarily high value ones) or from the sale of surplus HRA land or other assets.

Welfare Benefit Changes and Potential financial impact

Changes to Welfare benefits have a direct impact on individual tenants which usually results in them having less income. This can impact on their ability to pay their rent, this can also lead to an increase in rent arrears and then eventually increased property turnover and associated costs.

A number of welfare benefit changes have already been made;

Under occupation or “bedroom tax” – this was introduced on 1 April 2013. This policy means that if working age tenants (pensioners were excluded from this change) are deemed to be under occupying their property then their housing benefit is reduced by 14% if they have one under occupied bedroom, or 25% if they have two or more under occupied bedrooms. This change currently affects 2,962 of tenants and their housing benefit has been reduced by £1.84m, which needs to be collected.

Benefit Cap – this is the maximum amount of benefit that an individual or household can receive. This was set at £26k in July 2013 and has been further reduced to £20k for families and £13,400 for single claimants with effect from 9 January 2017. This affects 117 Council tenancies.

To be introduced;

Further rollout of universal credit (UC) – Tenants claiming universal credit receive their housing costs (the equivalent of Housing benefit) paid direct to themselves rather than paid to the landlord, with the tenant then responsible for paying their own rent.

Universal credit was rolled out in Doncaster in September 2015 and applied to single people with no dependents, there are currently 180 UC claimants in the Council’s housing stock. From October 2017 all new claimants will be paid UC. Between 2019 and 2022, when Universal Credit is fully rolled out, it is expected that all working age tenants will be paid their benefits via UC. This will apply to approximately 7,500 Council tenancies and will require up to approximately £22m of rent to be collected from tenants which has previously been paid directly to the HRA.

Housing Benefit capped at local housing allowance (LHA) rate – for the first time, the LHA rate will be applicable to council tenants. This policy will apply to all new tenancies started after 2016 (although Housing Benefit will not be actually reduced until April 2019) and effectively caps the amount of Housing Benefit that can be paid where the rent is higher than the LHA rate.

LHA rates are based on the statutory amount of bedrooms required by the household and not on the property they are occupying. This policy will apply to all tenants including pensioners. For example a pensioner couple may bid to occupy a two bedroom property but as their statutory housing need would only be assessed as requiring a one bedroom property then the maximum amount of housing benefit that they are entitled to would be the one bedroom LHA rate (£78.08), which may be

less than the rent on the two bedroom property they occupy. The balance of the rent would need to be paid by the tenants.

Under LHA rules, the maximum housing benefit that anyone under 35 who is single without dependants will be entitled to is the single room rate allowance. This is currently set at £55.12 per week and is significantly less than the rents charged in Doncaster. The Council does not currently own or manage any accommodation with shared facilities, so the opportunity for people to 'downsize' to more affordable accommodation is very limited.

The Autumn statement 2016 also extended this policy further by stating that in order to simplify the system, the LHA cap will also apply to any council tenants who are also claiming Universal Credit from April 2019. This makes this policy more far reaching than originally anticipated.

No automatic entitlement to housing costs for 18 to 21 year olds – this will affect anyone in this age group who is single and without dependants. It removes the automatic entitlement to those who are claiming Universal Credit and will apply in Doncaster from October 2017, when the next phase of Universal Credit rolls out.

The changes to welfare benefits will have a significant impact on housing services within Doncaster. Tenants are informed of the changes on a regular basis via Houseproud (the tenants' newsletter) and both the Council and St Leger Homes' website. Members are kept up to date of these changes through Members Briefings.

15. ACCOUNTING CHANGES

Self-financing was implemented for the HRA with effect from 1 April 2012. One of the requirements following this change was that Local Authorities were required to provide sufficient funding through depreciation to ensure that their stock did not fall below the Government's decent homes standard. For the first five years following self-financing Local Authorities were allowed to use a calculation for depreciation based on a formula provided by Government. This transitional period has now ended and a depreciation figure has been calculated based on the need to spend, based on International Accounting Standard (IAS) 16 componentisation in accordance with proper accounting practices. Additional monies can be transferred to the major repairs reserve using revenue contributions to capital outlay (RCCO). The amount of money transferred to the capital programme has not decreased following this accounting change and the comparative figures are shown in the tables below;

Current budgeted figures 2017/18

	£000s
Depreciation - dwellings	13,484
Depreciation – non dwellings	307
RCCO (Revenue Contribution to Capital Outlay)	15,119
Total	28,910

Budgeted Figures on previous basis 2017/18

	£000s
Depreciation - dwellings	22,111
Depreciation – non dwellings	556
RCCO (Revenue Contribution to Capital Outlay)	6,243
Total	28,910

OPTIONS CONSIDERED

16. The Welfare Reform and Work Act 2016 defines how Local Authority rents will be set over the period 2016/17 to 2019/20. No other options were considered.

REASONS FOR RECOMMENDED OPTION

17. The Authority is required to approve the Housing Revenue Account budget for each financial year and monitor spending throughout the year. HRA budget information is reported quarterly to Cabinet. The HRA must make a provision for depreciation on Council dwellings as specified by the Government (as a minimum). It must also pay the necessary charges due on all its loans (loan charges - interest), any expenditure over and above this is discretionary but all expenditure must be funded from rent income. The recommended rent decrease of 1.0% allows the Council to fulfill its financial obligations in relation to the HRA.

IMPACT ON THE COUNCIL'S KEY OUTCOMES

18.

	Outcomes	Implications
	<p>All people in Doncaster benefit from a thriving and resilient economy.</p> <ul style="list-style-type: none"> • <i>Mayoral Priority: Creating Jobs and Housing</i> • <i>Mayoral Priority: Be a strong voice for our veterans</i> • <i>Mayoral Priority: Protecting Doncaster's vital services</i> 	<p>More affordable homes will be built during 2017/18 and more local jobs will be created. Rents will remain at affordable levels.</p>
	<p>People live safe, healthy, active and independent lives.</p> <ul style="list-style-type: none"> • <i>Mayoral Priority: Safeguarding our Communities</i> • <i>Mayoral Priority: Bringing down the cost of living</i> 	<p>More affordable homes will be built during 2017/18 and more local jobs will be created. Rents will remain at affordable levels.</p>
	<p>People in Doncaster benefit from a high quality built and natural environment.</p> <ul style="list-style-type: none"> • <i>Mayoral Priority: Creating Jobs and Housing</i> • <i>Mayoral Priority: Safeguarding our Communities</i> • <i>Mayoral Priority: Bringing</i> 	<p>More affordable homes will be built during 2017/18 and money will be invested in improving the environmental aspects of estates.</p>

	<i>down the cost of living</i>	
	All families thrive. <ul style="list-style-type: none"> • <i>Mayoral Priority: Protecting Doncaster's vital services</i> 	More affordable homes will be built during 2017/18. SLHD helps tenants to sustain their tenancies
	Council services are modern and value for money.	Housing services in Doncaster are excellent value for money.
	Working with our partners we will provide strong leadership and governance.	DMBC and St Leger Homes work as key partners with a number of organisations across Doncaster

RISKS AND ASSUMPTIONS

19. The table below identifies the main quantifiable risks, which might result in the actual income and expenditure in 2017/18 being significantly different from the estimates and proposed actions to manage/mitigate them;

Risk/Assumption	Probability	Impact	Proposed Action
Increase in rent arrears as a result of welfare benefit reform (under occupation criteria)	Medium	£1.84m of direct housing benefit payments will be lost by tenants during 2017/18.	Increased focus on rent collection and financial advice. Bad debt provision of £0.75m and £0.756m assistance fund.
Increase in rent arrears as a result of the introduction of universal credit.	Medium	Estimated that 600 new tenants will receive universal credit in 2017/18, instead of housing benefit paid direct to the landlord.	Increased focus on rent collection and financial advice. Bad debt provision of £0.75m and £0.756m assistance fund
Interest rates increase by 0.5%	Medium	Increased costs of £1.3m	A prudent estimate has been assumed for interest rates, a large proportion of loans are at fixed rates of interest.
Dwelling rent voids exceed the assumed level of 1.5% of the rent debit (£1.1m income reduction for the year) by 0.25% of rent debit.	Medium	Income reduction £0.183m	Regular monitoring of voids, reduce re-let periods, review strategy for long term voids. Demand for most properties remains high.
Dwelling rent voids exceed the assumed level of 1.5% of the rent debit (£1.1m income reduction for the year) by 1.0% of rent debit	Low	Income reduction £0.733m	Regular monitoring of voids, reduce re-let periods, review strategy for long term voids. Demand for most properties remains high.

Inflation in future years is higher than anticipated. An additional 1% on CPI would create cost pressures at a time when income is reducing.	Medium	£0.057m of potential inflationary costs.	Inflationary projections for future years are expected to remain low, the figures will be monitored on a regular basis.
Changes to welfare benefits	High	£0.210m of potential rent either paid directly to tenants or not received by tenants due to benefit changes.	Increased focus on rent collection and financial advice. Bad debt provision of £0.75m and £0.756m assistance fund. General reserve increased to £4.0m.
Sale of vacant high value social housing stock	High	Potentially up to £15.0m a year.	Check and challenge any consultation documents which are issued by the Government. Keep sufficient resources available to make the initial payments. Stress test the 30 year business plan.

LEGAL IMPLICATIONS

20. The Council is required by s74 of the Local Government and Housing Act 1989 to keep a Housing Revenue Account (HRA) which records all revenue expenditure and income relating to the provision of council dwellings and related services. This includes formulating proposals relating to income from rent and charges, expenditure on repairs, maintenance, supervision and management, capital expenditure and any other prescribed matters in respect of the HRA. In formulating these proposals using best estimates and assumptions, the Authority must set a balanced account. In its role as landlord, the Council has statutory and contractual obligations to maintain the structure of, and installations in, its housing stock. The HRA Budget will assist the council in fulfilling those obligations
21. Referring to paragraph 7 above, the Welfare Reform and Work Act 2016 requires registered providers of social housing to secure that the amount of rent payable in respect of that relevant year by a tenant of their social housing in England is at least 1% less than the amount of rent that was payable by the tenant in respect of the preceding 12 months. The relevant year in relation to a registered provider is a year beginning on 1 April 2017, 1 April 2018 or 1 April 2019. The Secretary of State may issue a direction in relation to the amount of rent payable in respect of a local authority if he considers that the local authority would be unable to avoid serious financial difficulties if it were to comply with the reduction in rent.
22. With regard to paragraph 14 above, under the Housing and Planning Act 2016 the Secretary of State may make a determination requiring a local housing authority in England to make a payment to him representing an estimate of the market value of the authority's interest in any high value housing that is likely to become vacant during the year less any costs or other deductions of a kind described in the determination in respect of a financial year. Before making a declaration the

Secretary of State must consult and be made before the financial year to which it relates.

23. Further, under this Act a local housing authority that keeps a HRA must consider selling its interest in any high value housing that has become vacant. In discharging its duty a local housing authority must have regard to any guidance given by the Secretary of State.
24. The decision maker must be aware of their obligations under section 149 Equality Act 2010, the Public Sector Equality Duty (PSED). It obliges public authorities, when exercising their functions, to have 'due regard' to the need to:
 - a. Eliminate discrimination, harassment and victimisation and other conduct which the Act prohibits;
 - b. Advance equality of opportunity; and
 - c. Foster good relations between people who share relevant protected characteristics and those who do not.

The relevant protected characteristics under the Equality Act are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation. The duty also covers marriage and civil partnerships, but only in respect of eliminating unlawful discrimination.

The decision maker must ensure that they have seen the due regard statement. The duty must be exercised in substance, with rigour, and with an open mind and is not a question of ticking boxes. It is for the decision-maker to decide how much weight should be given to the various factors informing the decision, including how much weight should be given to the PSED itself. The duty is a continuing one and there should be a record/audit trail of how due regard has been shown. It is not sufficient for due regard to be a "rear-guard action" following a concluded decision. The decision maker must also pay regard to any countervailing factors and decide the weight to be given to these, which it is proper and reasonable to consider; budgetary pressures, economics and practical factors will often be important.

FINANCIAL IMPLICATIONS

25. These are contained within the body of the report.

HUMAN RESOURCES IMPLICATIONS

26. There are no HR implications as a result of this report. The savings which need to be made by SLHD as detailed in Appendix B will be made without any job losses or changes to terms and conditions.

TECHNOLOGY IMPLICATIONS

27. There are no direct technology implications as a result of this report. SLHD are represented on the council & partners ICT Governance Board and submit any technology requirements to be considered to ensure wise investment, maximisation of existing systems across partners and rationalisation where possible & appropriate.

EQUALITY IMPLICATIONS

28. A Public Sector Equality Duty assessment is attached at Appendix C. There will be

implications for individuals as a result of reducing rents but fundamentally rents are set based on the type and location of the property not with regard to the tenant.

CONSULTATION

29. Cabinet have considered these matters at several meetings between November 2016 and February 2017.
30. Members have been consulted at meetings between November 2016 and February 2017; this included Labour Group and representatives from other parties.
31. The proposed HRA budget and changes to rent and service charges have been the subject of formal consultation with members of the Tenants and Residents Involvement Panel (TRIP) and representatives from Tenants and Residents Associations (TARAs) on 12 January 2017. In summary the tenants were pleased with the reduction in rents and the freeze of other charges. They feel that for tenants who do not receive housing benefit rent still accounts for a large proportion of their income. They would like further information on the changes to welfare benefits. They think that additional Government funding should be provided to fund the building of new Council Houses. They are confident that St Leger Homes and DMBC will manage the reduced resources within the HRA.
32. Tenants are happy with the condition of their homes and the services that they receive, they could not identify any service improvements or investment needs which were not being met by the proposed budgets.
33. SLHD consult with their staff and unions on the proposals within the HRA budget which directly affect them.

This report has significant implications in terms of the following:

Procurement	N/A	Crime & Disorder	N/A
Human Resources	N/A	Human Rights & Equalities	N/A
Buildings, Land and Occupiers	N/A	Environment & Sustainability	N/A
ICT	N/A	Capital Programme	Yes

BACKGROUND PAPERS

34. Welfare Reform and Work Act 2016
Housing and Planning Act 2016
Cabinet report 6 December 2016 – Finance and Improvement Report 2016/17
Quarter 2
Budget Working Papers

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