

**To the Chair and Members of Cabinet**

**Housing Revenue Account Budget 2016/17**

<b>Relevant Cabinet Member(s)</b>	<b>Wards Affected</b>	<b>Key Decision</b>
Councillor Jane Nightingale	ALL	Yes

**EXECUTIVE SUMMARY**

1. This report sets out the Mayor's proposals for the 2016/17 Housing Revenue Account (HRA) Budget. The report focuses on the following key areas:-
  - the level of the Council's housing rents for 2016/17; current average rent is £71.25 per week which is the lowest within South Yorkshire, rents will decrease by 1%
  - the Housing Revenue Account (HRA) budget proposals for 2016/17 and estimated budgets for 2017/18, 2018/19 and 2019/20; the HRA budget follows the budget strategy as set out in previous years and maintains a reserve of £3.0m within the HRA, the budget for 2016/17 is a balanced budget (income equals expenditure) and
  - the level of fees and charges for 2016/17 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 4th April 2016, by 1.0% as detailed in paragraphs 7 to 10. This will result in an average weekly rent decrease of £0.71, resulting in an average rent of approximately £70.57 per week. Rents will be charged every week of the year.
  - ii. The budget proposals for the HRA for 2016/17, which are contained in Appendix A. These proposals set a balanced budget for the HRA and maintain a reserve of £3.0m;
  - 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 tenants of these properties will pay lower rents in 2016/17. Reducing the rents enables the Council to continue to provide quality social housing maintained to the Doncaster decency standard but significantly reduces the number of new properties to 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 2015/16 was approved on 5th March 2015. Since then the regular financial management reports to Cabinet have provided the latest projections of the 2015/16 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) and would have continued if it had not been for the announcements in the Governments' Summer Budget. The major change which we know about and is being implemented in 2016/17 is the 1% rent reduction for the next four years. There are two other potentially major impacts;

- The sale of vacant high value local authority housing stock and
- "Pay to stay" (tenants on higher incomes (where household income, based on the highest two earners, is in excess of £30k pa) will be charged at market rent).

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

## BUDGET PROPOSALS 2016/17

6. The Budget proposals for 2016-17 are shown in detail at Appendix A. The key features are as follows:-
  - a) A reduction in rents of 1.0% (see paragraphs 7 to 10 for more details);
  - b) Dwelling rent income is expected to be £0.485m lower at £73.7m 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) less 1.0% 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 £0.479m due to changes in the calculation of employer's national insurance contributions. 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 who have managed these costs from efficiencies and savings. The management fee paid from the HRA for 2016/17 is £27.352m;

- 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 £0.6m 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 reform are rolled out;
- g) The number of Right to Buy sales continues to be monitored and total sales to the 31st December 2015 were 88 giving an average of 2.2 sales per week. A projected level of 120 sales, 37 proposed demolitions, 126 new build and a void rent loss percentage of 1.5% (reduced from 2% in previous years) have been used for calculating the rental income for 2016/17;
- h) Housing Subsidy 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 £3.0m therefore the surplus funds in excess of this, £3.181m, have 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 2016/17. This will maintain an estimated reserve within the HRA of £3.0m by 31 March 2017.

## **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 Bill 2015-16, it is assumed that the Bill will receive Royal Assent before April 2016. The implementation of this rent reduction means that there will be £2.6m less resources available than originally budgeted for in 2016/17 (on a like for like basis) , this budget was based on a 2% rent increase, assuming that CPI (consumer price index) inflation would be 1% and that rents would increase by CPI plus 1%. Over the four year period 2016/17 to 2019/20 there will be £25.9m less resources available 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 Metropolitan Councils based on the 2014/15 financial year (according to the latest published figures from CIPFA, Chartered Institute of Public Finance and Accountancy).
10. There are four different ways in which rents will change during 2016/17, (different types of rents are defined in paragraph 11);

**Existing tenants** – If the tenant is the same on 4 April 2016 (rent changes take effect from the first Monday in April) as it was on 8 July 2015 (the date of the Summer Budget) their rent will be reduced by 1%. In accordance with the rent policy agreed at Budget Council in February 2014, if the tenancy has changed between 8 July 2015 and 3 April 2016 the property will have been relet at target rent for that property, that rent will then be reduced by 1% with effect from 4 April 2016. Worked example – the current rent being charged to existing tenants for a two bedroom bungalow on Hill Top Crescent, Edlington, is £63.82 per week, if there is no change in tenancy this will be reduced to £63.18 per week with effect from 4 April 2016. One of these bungalows had a change of tenancy in November 2015, the new tenancy was let at target rent which is £66.78 per week, this rent will reduce to £66.11 per week with effect from 4 April 2016.

**New tenants into existing housing stock** – if the tenancy changes during 2016/17 the property will be relet at the 2015/16 target rent less 1%

**New build council housing** – when new properties are completed both the target rent and affordable rent will be calculated for these properties, the rent charged will be the higher of the two less 1% and

**Affordable rent properties** – the rent will be reduced by 1%. If there is a change of tenancy a new market rent and affordable rent calculation will be carried out and the new rent will be the affordable rent less 1%.

## 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 is £75.26 per week. The target rent figure for 2015/16 will be the base figure used for calculating target rent less 1% in future years.

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. 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 £85.53 per week and this will reduce to £84.67 per week in 2016/17.

## **FEES AND CHARGES**

13. Fees and charges are calculated using the CPI figure from the previous September. CPI in September 2015 was -0.1%. The following recommendations are proposed in respect of fees and charges for 2016/17:-

- a) That the charges for garages and garage sites are frozen. These charges will be reviewed again in future years and the 2017/18, 2018/19 and 2019/20 budgets assume CPI increases (based on CPI at 1%). These are the charges to tenants, if non tenants rent garages or garage sites then VAT is added to these charges.
- b) The only properties which still have district heating but the tenants do not have individual meters are on Skellow Road. These properties (14 in total) are currently subject to an option appraisal due to the type and layout of the properties. It is proposed that the heating charges at Skellow Road do not change, if the option appraisal recommends retaining these properties the district heating scheme will be replaced with individual boilers.
- c) 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 5.8p per unit (plus VAT). This scheme is forecast to breakeven in 2016/17. It is therefore recommended that the charges remain the same. The average annual charge for these properties is £450.
- d) The district heating charge for properties on the Balby Bridge estate will increase to 6.09p per unit (inclusive of VAT) which is equivalent to 5.8p per unit plus VAT. This is a 17.1% increase and is the third year of a three year strategy to increase the charges at Balby Bridge to the same level as those at Ennerdale and for this heating scheme to breakeven. These charges are still at an affordable level following a whole scale investment programme of energy efficiency measures. The average annual charge for these properties is £184.
- 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. This is available as a whole year service (charged every week) or as a part year service (charged for 34 weeks) these charges will remain unchanged. This service is an optional service. It is not eligible for housing benefit and it is available to all tenants. These charges will be reviewed again in future years and the 2017/18, 2018/19 and 2019/20 budgets assume CPI increases;

A furnished tenancy charge was introduced during 2014/15. This service is only available to young adults leaving care, estimated at 5 per year (currently there are three furnished tenancies). The furniture is provided and repaired by an external provider and the charge for 2016/17 will be £19.91 per week, this is an increase of £0.99 per week based on additional costs of providing the furniture. 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.

- f) 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 2015/16</u>	<u>Proposed Charge 2016/17</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	5.2p per unit	5.8p 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	£12.11 per week £14.17 per week £16.23 per week	£13.50 per week £15.80 per week £18.10 per week	£3,000
District Heating - Ennerdale	5.8p per unit 6.09p per unit (inclusive of VAT)	5.8p 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	£18.92 per week	£19.91 per week	£154

14. Other announcements within the Summer Budget were;

**The sale of Vacant High Value Local Authority Housing Stock** – the Housing and Planning Bill 2015-16 gives the Govt. 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 Bill about how this payment will be calculated and it is therefore very difficult to plan for the impact of this being introduced and the likely introduction date is during the 2016/17 financial year. Currently the majority of resources within the HRA are committed to either revenue or capital budgets, so whatever the size of this payment which has to be made to the

Govt. 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.

**Pay to Stay** – this will be introduced with effect from 1 April 2017 and Local Authorities will need to charge households where the household income is in excess of £30k a market rent rather than a social rent, the additional rent will then be paid over to Treasury. The difference between social rents and market rents in Doncaster varies significantly between areas across a range from £14 to £70 per week.

There are no details of how treasury will calculate the payment which it intends to collect from Local Authorities. It is anticipated that further details will be available prior to 1 April 2017 and that a draft determination will be issued for consultation prior to implementation but it is difficult at this stage to budget for the impact. It is likely that the amount to be paid to Govt. will be calculated using a notional calculation rather than the actual figures.

Both of these proposals are included within the Housing and Planning Bill 2015-16 which is currently making its way through Parliament. It is possible that once this Bill receives Royal Assent that Local Authorities will need to start making payments to Government. Details of these payments and authority to make the payments will be obtained through the quarterly reporting process through Cabinet. The financial implications will potentially be significant (further details included within the risk section).

## **OPTIONS CONSIDERED**

15. Previous documentation which has been issued in connection with the setting of rents by Local Authorities has always been published as guidance, although there were financial implications of not following the guidance. Once the Welfare Reform and Work Bill 2015-16 receives Royal Assent then the setting of rents will be defined by statute. No other options were considered.

## **REASONS FOR RECOMMENDED OPTION**

16. 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

17.

	<b>Outcomes</b>	<b>Implications</b>
	<p>All people in Doncaster benefit from a thriving and resilient economy.</p> <ul style="list-style-type: none"> <li>• <i>Mayoral Priority: Creating Jobs and Housing</i></li> <li>• <i>Mayoral Priority: Be a strong voice for our veterans</i></li> <li>• <i>Mayoral Priority: Protecting Doncaster's vital services</i></li> </ul>	<p>More affordable homes will be built during 2016/17 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"> <li>• <i>Mayoral Priority: Safeguarding our Communities</i></li> <li>• <i>Mayoral Priority: Bringing down the cost of living</i></li> </ul>	<p>More affordable homes will be built during 2016/17 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"> <li>• <i>Mayoral Priority: Creating Jobs and Housing</i></li> <li>• <i>Mayoral Priority: Safeguarding our Communities</i></li> <li>• <i>Mayoral Priority: Bringing down the cost of living</i></li> </ul>	<p>More affordable homes will be built during 2016/17 and money will be invested in improving the environmental aspects of estates</p>
	<p>All families thrive.</p> <ul style="list-style-type: none"> <li>• <i>Mayoral Priority: Protecting Doncaster's vital services</i></li> </ul>	<p>More affordable homes will be built during 2016/17. SLHD helps tenants to sustain their tenancies</p>
	<p>Council services are modern and value for money.</p>	<p>Housing services in Doncaster are excellent value for money.</p>
	<p>Working with our partners we will provide strong leadership and governance.</p>	<p>DMBC and St Leger Homes work as a key partners with a number of organisations across Doncaster</p>



## RISKS AND ASSUMPTIONS

18. The table below identifies the main quantifiable risks, which might result in the actual income and expenditure in 2016/17 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	£2.0m of direct housing benefit payments will be lost by tenants during 2016/17.	Increased focus on rent collection and financial advice. Bad debt provision of £0.6m and £0.6m assistance fund.
Increase in rent arrears as a result of the introduction of universal credit.	Medium	Estimated that 200 new tenants will receive universal credit in 2016/17, instead of housing benefit paid direct to the landlord.	Increased focus on rent collection and financial advice. Bad debt provision of £0.6m and £0.6m 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 (£1.122m income reduction for the year) by 0.25% of rent debit.	Medium	Income reduction £0.187m	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 (£1.122m income reduction for the year) by 1.0% of rent debit	Low	Income reduction £0.748m	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	£0.055m of potential inflationary costs.	Inflationary projections for future years are expected to remain low, the figures will be monitored on a regular basis.
Pay to Stay	Medium	Difficult to estimate until further details are known but potentially up to £0.5m per year.	Check and challenge any consultation documents which are issued by the Government.

Sale of vacant high value social housing stock	High	Potentially up to £20.0m over a 5 year period.	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.
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## LEGAL IMPLICATIONS

19. Referring to paragraph 7 above, the Welfare Reform and Work Bill 2015-16 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 2016, 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.
20. With regard to paragraph 10 above, under the Housing and Planning Bill 2015-16 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 it must be made before the financial year to which it relates.
21. Further, under this Bill 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.
22. Also this Bill provides that the Secretary of State may by regulations make provision about the levels of rent that a registered provider of social housing must charge a high income tenant of social housing in England. The regulations must define what is meant by high income and about how a person's income is to be calculated.

As is referred to elsewhere in the report, recommendations are based on Bills that are not at the time of drafting law. It is expected that the Welfare Reform and Work Bill will be passed prior to 31 March 2016. If this is not the case the relevant legislation is section 24 of the Housing Act 1985. This provides that a local housing authority may make such reasonable charges as they may determine for the tenancy or occupation of their houses. There is a duty from time to time to review rents and make such changes, either of rents generally or of particular rents, as circumstances may require. In exercising their functions under Section 24 a local housing authority in England shall have regard to any relevant standards set out for them under Section 193 of the Housing and Regeneration

Act 2008, which are set out in the Regulatory Framework for Social Housing in England from April 2012 issued by the Homes and Communities Agency. With regard to furnished tenancies, section 10 of the Housing Act 1985 provides that a local housing authority may fit out, furnish and supply a house under part ii of the act with all requisite furniture, fittings and conveniences. It is a condition upon which occupation of the dwelling depends so that if a tenant does not pay the service charge in respect of the furniture etc, he or she risks eviction from the dwelling.

23. In taking this decision, the decision maker must be aware of their obligations under section 149 Equality Act 2010. This section contains 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 victimization 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.
24. 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.
25. Case law has established the following requirements for the PSED to be exercised lawfully:
  - The equality duties are an integral and important part of the mechanisms for ensuring the fulfilment of the aims of anti-discrimination legislation.
  - The relevant duty is on the decision maker personally. What matters is what he or she took into account and what he or she knew. The decision maker cannot be taken to know what his or her officials know or what may have been in the minds of officials in proffering their advice
  - It is important to record the steps taken by the decision maker in seeking to meet the statutory requirements in order to demonstrate that the duty has been discharged;
  - The decision-maker must assess the risk and extent of any adverse impact and the ways in which such risk may be eliminated before the adoption of a proposed policy. It is not sufficient for due regard to be a "rear-guard action" following a concluded decision;
  - In order to be able to discharge the duty the decision-maker must have information about the potential or actual equality impact of a decision. This information will often be gained in part through consultation;
  - The duty must be exercised in substance, with rigour, and with an open mind. It is not a question of ticking boxes; while there is no duty to make express reference

to the regard paid to the relevant duty, reference to it and to the relevant criteria reduces the scope for argument;

- General regard to issues of equality is not the same as having specific regard, by way of conscious approach to the statutory criteria;
- Officers reporting to decision makers, on matters material to the discharge of the duty, must not merely tell the decision maker what he/she wants to hear but they have to be “rigorous in both enquiring and reporting to them”;
- Although it is for the court to review whether a decision-maker has complied with the PSED, 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.

26. Decision makers should in particular note that the duty is for them personally. It is not sufficient to rely on advising officers to discharge the duty by the preparation of the due regard statement and this report. Decision makers must themselves read and actively take into consideration the due regard statement and the consultation materials.

27. Decision makers should also note that as the duty is a continuing one, it will be necessary for decision-makers to have due regard again at the time at which subsequent decisions may be taken. There should be a record/audit trail of how due regard has been shown.

28. The decision maker must also pay regard to any countervailing factors, which it is proper and reasonable for you to consider. Budgetary pressures, economics and practical factors will often be important. The weight of these countervailing factors in the decision making process is a matter for the decision maker.

29. There is no general duty for decision makers to consult before they take their decisions. A statutory obligation to consult may be present or a common law legitimate expectation – which should be fulfilled unless there is good reason not to. When we embark on consultation, it must be done properly. With regard to consultation, the following are key issues :

- a. Consultation is undertaken when the relevant proposal is still at a formative stage
- b. Adequate information is provided to consultees to permit intelligent consideration and enable them to properly respond. This will usually include alternative proposals.
- c. Consultees are afforded adequate time in which to respond
- d. The decision maker gives conscientious consideration to consultees responses.

## **FINANCIAL IMPLICATIONS**

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

## **HUMAN RESOURCES IMPLICATIONS**

31. 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**

32. 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**

33. 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**

34. Cabinet have considered these matters at several meetings between September 2015 and February 2016.

35. Overview and Scrutiny Management Committee have been consulted on the Mayor's budget proposals at meetings held between November 2015 and February 2016. The following meetings took place:

- a. OSMC Informal Budget Meetings – 9th December, 2015 and 27th January, 2016;
- b. Overview and Scrutiny Management Committee on the 11th February, 2016, are due to consider the budget proposals. The Chair will provide a detailed written response to the Mayor and the Mayor will provide a verbal response at the Council meeting.

36. The proposed HRA budget and changes to rent and service charges have been the subject of formal consultation with representatives of the Doncaster Federation of Tenants' and Residents Association (TARA), members of the Tenants and Residents Involvement Panel (TRIP) and representatives from TARA groups on 28 January 2016. In summary the tenants were pleased with the reduction in rents and the freeze in the majority of other charges. They understand the rationale for the increases in the heating charges on Balby Bridge estate. They think that additional Government funding should be provided to fund new Council House building. They are confident that St Leger Homes and DMBC will manage the reduced resources within the HRA.

37. 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**

38. Welfare Reform and Work Bill 2015-16  
Housing and Planning Bill 2015-16  
Cabinet report 8 September 2015 – Finance and Improvement Report 2015/16  
Quarter 1, K1300  
Budget Working Papers

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