

EIA	HRA Revenue Budget 2014/15 EIA Proposal
	<p><b>Approach:</b> The Housing Revenue Account is ring fenced for the management and maintenance of council owned housing stock. Our aim is to reduce our management and preventable maintenance costs to free up money to tackle inequality and improve homes and neighbourhoods</p> <p><b>Budget Proposal 1. Annual Rent Increase</b> Increases in rent charges are calculated in accordance with the Governments rent restructuring guidelines. Local authorities use the September 2013 Retail Price Index of 3.2% plus 0.5% for setting rent inflationary increases plus £2 where rents are below target rents. The government has confirmed that 2014/15 is the final year of convergence for limiting rent increases. This results in an average rent increase of 5.43% for Brighton &amp; Hove which is equivalent to an average increase of £4.31 per week, increasing the average rent to £83.72.</p> <p><b>Budget Proposal 2. Service Charges</b> To increase six of our service charges in line with contractual inflationary increases. Four other service charges will remain at 2013/14 levels.</p> <p><b>Budget Proposal 3. Savings - Estate Regeneration (£32,000)</b> Salaries of staff working on regeneration projects can be charged to the relevant capital projects to reduce revenue costs.</p> <p><b>Budget Proposal 4. Savings - Reduction in Housing Management costs (£316,000)</b> Decrease in staffing costs arising from service redesign such as reduced number of housing offices and cash desks.</p> <p><b>Budget Proposal 5. Savings - Charge common way service charges to those tenants benefiting</b></p>

**(£435,000) - (Common way electricity - £276,000; lift maintenance £108,000 and TV aerial maintenance £51,000)**

Leaseholders pay their share of the costs for their building for common way electricity, lift maintenance and TV aerial maintenance but the tenants' share of the costs are currently being covered by all tenants' rental income rather than being directly paid by those tenants living in the blocks that benefit. The proposal is to charge these services directly to the tenants that receive the services.

**Budget Proposal 6. Savings - Remodel sheltered housing and charges (£260,000)**

Sheltered Housing services are currently partially funded through housing related support funding (formerly Supporting People). This funding has been reducing year on year and is coming to an end which risks the viability of the service. The proposal is to redesign the sheltered service with costs covered by service charges eligible for Housing Benefit (HB) making the service more financially secure. The remodelled service will be more aligned to health and social care outcomes and designed to respond to the changing demographics of the older population. Through the review of Sheltered Housing we are also seeking to enhance the service based on feedback from consultation with residents, staff and other stakeholders.

**Budget Proposal 7. Savings - Redesign of service delivery in the Estates service (£140,000)**

Review service to match resources with demand with some posts being deleted. Service charging realigned and opportunities for more value for money work explored - subject to consultation.

**Budget Proposal 8. Savings - Efficiencies in Repairs & Maintenance Partnership Contract (£70,000)**

To reduce costs of empty property repairs through the use of agreed target pricing with contractor.

**Budget Proposal 9. Savings - Increase charges within HRA commercial property portfolio (£50,000)**

Review management arrangements of the commercial property portfolio and ensure property rents are in line with the market.

Groups potentially impacted	Impacts identified	Mitigating Actions
<p><b>Age</b> <b>Disability</b> <b>Ethnicity</b> <b>Gender (women)</b> <b>Gender reassignment</b></p>	<p><b>Budget Proposal 1. Annual Rent Increase</b> This generates income to invest in homes and services for council housing residents. An increase in rents in conjunction with the Government's Welfare Reform Act, changes to housing benefit entitlement from April 2013, such as the under occupancy rules, could lead to financial difficulty for those households affected and those households on a fixed/low income. This may result in loss of income to the Council through rent arrears, and costs associated with the recovery of rent arrears and supporting tenants to downsize to smaller accommodation.</p> <p><b>Budget Proposal 2. Service Charges</b> Service charges fund services that benefit council housing residents. An increase in service charges will affect those tenants living in specific types of properties i.e. flats and sheltered housing schemes and those households on fixed/low incomes.</p> <p><b>Budget Proposal 3. Estate Regeneration</b> No impact from these proposals.</p> <p><b>Budget Proposal 4. Reduction in Housing Management costs</b></p>	<p><b>Budget Proposal 1. Annual Rent Increase</b></p> <ul style="list-style-type: none"> <li>• Investment in providing specialist support services for vulnerable residents including the development of services promoting financial inclusion, and piloting the Community Banking Partnership Model. This investment will help to sustain income collection to the HRA. (NB: 'vulnerability' in this context may be as a result of a 'protected characteristics' under the Equality Act 2010, or may relate to substance misuse, domestic/sexual violence, literacy or finance, for example. It may also change over the period of the tenancy.)</li> <li>• Communication with residents about the forthcoming changes to Housing Benefit (HB) through our website, City Assembly, Homing in, Tenant Associations, Tenant Disability Network and mail shots to affected tenants.</li> <li>• Financial Inclusion Co-ordinators in post to provide targeted case by case support to those households experiencing financial difficulties.</li> <li>• Discretionary Housing Payments fund and other discretionary support options through the Local Authority.</li> <li>• Work is being done to identify households</li> </ul>

Reducing the number of service access points and closing all cash offices may initially make accessing the service more difficult for a small number of tenants, particularly older tenants

**Budget Proposal 5. Charge common way service charges to those tenants benefiting**

It is proposed that these services will be charged directly to the tenants that benefit from them:

- Electricity for common way lighting and lifts. This will affect an estimated 5,410 tenants and is eligible for Housing Benefit (HB). Current data suggests 1,467 (28%) tenants who are not eligible for HB will have to pay an average charge of £1.00 per week ranging from £0.09 to £2.75, although 878 tenants will pay less than £1 per week;
- Lifts maintenance - to pay for the cost of lift servicing, maintenance and insurance. It will affect 2,452 tenants. The charge is £0.85 per week and will be eligible for HB, so it is estimated that 571 tenants currently not on HB will have to pay this charge;
- TV aerial maintenance – for those blocks that had new digital aerials fitted last year. This charge is an additional element that is being added to the TV aerial service charge for aerial service/maintenance. The charge will be eligible for HB and is 20p per tenant per week. Of the 4,942 tenants affected, 3,645 are eligible for HB,

affected by Welfare Reform changes to determine if there is a disproportionate impact on any group or geographical area and target support accordingly.

**Budget Proposal 2. Service Charges**

- Four service charges will remain at 2013/14 levels. 6 service charges will be increased by contractual inflationary increases with charges for heating and water also being adjusted for consumption.
- Financial Inclusion Co-ordinators in post to provide targeted case by case support to those households experiencing financial difficulties.

**Budget Proposal 3. Estate Regeneration**

No impact from these proposals

**Budget Proposal 4. Reduction in Housing Management costs**

An EIA will be completed. All customers who use cash desks and Selsfield Drive will be advised of alternative service access points/methods and assisted in setting up new payments. Targeted work with people who use the facilities, to identify alternative service access and payment methods

so it is estimated that 1,297 will have to pay this charge.

**Budget Proposal 6. Remodel sheltered housing and charges**

Potential for increased service charges with an impact on self-funders and those currently receiving transitional protection. The charge is estimated at £19.92 but is being phased-in over a three year period so that the proposed charge for 2014/15 is £15.06. Current figures suggest that 73 self payers, currently paying £12.85, will need to pay the new charge, an increase of £2.21 per week. It is also proposed to phase out transitional protection for approximately 33 tenants who are self funders but currently do not pay this charge at all. The proposal is that these tenants would pay £6.64 per week in 2014/15. Because of the nature of sheltered housing, impacts will be experienced by older and disabled people.

**Budget Proposal 7. Redesign of service delivery in the Estates service**

No significant impact for any particular group however changes will be reviewed after 3 months

**Budget Proposal 8. Efficiencies in Repairs & Maintenance Partnership Contract**

It is not anticipated that the efficiency savings identified will affect our residents.

**Budget Proposal 5. Charge common way service charges to those tenants benefiting**

- Future increases will be restricted to contractual obligations
- Targeted case by case support to those households experiencing financial difficulties using the Community Banking Partnership model, providing specialist independent money and debt advice, financial literacy training, access to affordable banking products and a possible hardship fund

**Budget Proposal 6. Remodel sheltered housing and charges**

An EIA will be completed on the service remodel. The new service charge will be eligible for Housing Benefit (HB) so that anyone receiving HB will not have to pay the charge. Almost 90% of residents in sheltered housing are on HB and so will not experience a financial impact but 73 residents who currently pay £12.85 will experience an increased charge. The newly calculated service charge of £19.92 will be phased-in over a three-year period to avoid large increases. In 2014/15 the proposed charge is £15.06, an increase of £2.21. It should be noted that the current service charge has not increased with inflation since its introduction in 2003. The new charge includes the proposal for additional staffing to enhance the service as part of the service review in line with feedback from residents and other

**Budget Proposal 9. Increase charges within HRA commercial property portfolio**

No specific impact on any particular group but will affect all HRA commercial tenants in general where their agreement allows for rent increases. The Council must give proper advance written notice of the rent increase however increased rents risk increased arrears which could result in some tenants losing their commercial lease affecting employment opportunities.

stakeholders. A further 33 tenants who are self funders are currently protected from paying the existing support charge under the Transitional Protection scheme which has been the case since 2003. Transitional Protection will also be phased out to bring parity with other self funding sheltered housing residents. Again this will be phased in over a three-year period. The charge for these tenants in 2014/15 will be £6.64 per week. Meetings will be offered to all sheltered residents impacted by the introduction of the new service charges to offer 1:1 financial and benefits advice.

**Budget Proposal 7. Redesign of service delivery in the Estates service**

No significant impact for any particular group however changes will be reviewed after 3 months

**Budget Proposal 8. Efficiencies in Repairs & Maintenance Partnership Contract**

- It is not anticipated that the efficiency savings identified will affect our residents.

**Budget Proposal 9. Increase charges within HRA commercial property portfolio**

Commercial property tenants will be advised to read their lease and seek legal advice. A guide to common commercial lease terms will be developed to support tenants.

<b>Cumulative Impact</b>	We have not been advised of any impacts arising from proposals from other departments or services areas except for: <b>Housing (Strategic General Fund Functions) EIA</b> - identified £472k of savings from Homemove and Housing Related Support costs being recharged. The proposals in this EIA address the savings required.
--------------------------	---