



## HOUSING SCRUTINY COMMITTEE

### SECOND CIRCULATION

**To: Scrutiny Committee Members:** Councillors Todd-Jones (Chair), Bird (Vice-Chair), Avery, Gawthrop, Holland, R. Moore, Page-Croft and Smart

**Alternates:** Councillors Perry and T. Moore

**Tenants and Leaseholders:** Lulu Agate (Tenant Representative) Diane Best (Leaseholder Representative), Kay Harris (Tenant Representative), John Marais (Tenant Representative), Diana Minns (Vice Chair /Tenant Representative), and Mandy Powell-Hardy (Tenant Representative).

**Executive Councillor for Housing:** Councillor Price

*Despatched: Thursday, 5 January 2017*

**Date:** Wednesday, 18 January 2017

**Time:** 5.30 pm

**Venue:** Committee Room 1 & 2, The Guildhall, Market Square, Cambridge, CB2 3QJ

**Contact:** Toni Birkin

**Direct Dial:** 01223 457013

### AGENDA

- 5 **Procurement of a new Housing Management Information System**  
*(Pages 5 - 10)*
- 6 **Adaptations Policy for HRA Property** *(Pages 11 - 30)*
- 8 **Housing Revenue Account Budget Setting Report** (Pages 31 - 38)  
Please note revised recommendations
- 9 **Housing General Fund Revenue and Capital Budget Proposals for 2017/18 to 2021/22** *(Pages 39 - 50)*

**10**     **Cambridgeshire Home Improvement Agency - Service Changes** (*Pages 51 - 54*)

# Information for the Public

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To: Executive Councillor for Housing, Councillor Kevin Price  
Report by: Suzanne McBride, Strategic Director  
Relevant scrutiny committee: Housing Scrutiny Committee 18<sup>th</sup> January 2017  
Wards affected: ALL

## **Procurement of a new Housing Management Information System**

### **Key Decision**

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#### **1. Executive Summary**

This report proposes a joint procurement exercise with South Cambridgeshire District Council, to provide a Housing Management Information System for both authorities. The Housing Services will remain distinct, with two instances of the new system provided, but recognising that moving to the use of a single provider would make it easier for the two Councils to share some or all of their housing services in the future.

#### **2. Recommendations**

2.1 The Executive Councillor is recommended:

- To approve a capital budget of £500,000 for Cambridge City Council's share of the up-front costs of jointly procuring a new Housing Management Information System with South Cambridgeshire District Council. The cost is to be fully met from existing repairs and renewals funds.
- To note the current annual support and maintenance revenue budget of £75,000.
- To recognise the procurement benefits of undertaking this project now, in partnership with South Cambridgeshire District Council.
- To approve that the authority proceed with this joint procurement exercise, and that following a compliant competitive process, the Strategic Director is given delegated authority to tender and award a contract on behalf of Cambridge City Council.

### **3. Background**

- 3.1 South Cambridgeshire District Council's current contract for their Housing Management system with Orchard is over 20 years old, and their procurement advice is that a full tendering exercise is required in order to comply with EU procurement regulations. South Cambridgeshire District Council's Executive Management Team has approved a full OJEU procurement exercise to secure a new Housing Management Information System.
- 3.2 Although Cambridge City Council has a further 2 years before the agreed review date for the continued use of the Orchard software, the likely timescale of a full OJEU tender, procurement and implementation means that a joint project would fit well with the need for Cambridge City Council to re-procure these services.

#### **Objectives and desired outcomes**

- 3.3 The objectives of the project for Cambridge City Council are as follows:
- To procure a modern, fit for purpose housing and property management system for the HRA, the wholly owned housing company and any other assets held by the Council which require management activity to be undertaken.
  - To provide a fully integrated housing management, rents, repairs, planned maintenance, asset and land management system
  - To provide a system that successfully interfaces with other key systems deployed by the Council, with the Financial Management System being of the key applications to interface effectively.
  - To realise time and cost efficiencies with business process management and time management.
  - To ensure continued and expanded mobilisation of the workforce, with a flexible and adaptable mobile working solution.
  - To expand the opportunities for engagement with customers through channel shift, to improve the digital offer so that customers can access key parts of our housing services such as checking rent accounts and ordering and tracking repairs.
- 3.4 A Project Board containing representatives from both authorities and project managed by 3C ICT, will be responsible for the delivery of the project objectives, following a recognised project management framework.

## 3.2 Expected Benefits

3.2.1. The benefits that will be realised by Cambridge City Council as a result of this project are:

- A new housing system implemented to coincide with current contract review timescales
- Value for money
- Improved application support, with one system across two councils
- Potential to extend mobile and remote working systems
- Greater, and more relevant, usage of, and links to other systems, such as GIS
- Improved service to, and engagement with, customers
- Streamlined working processes.

## 3.3 Project Scope

1.3.1 The scope of the project for Cambridge City Council includes key areas such as:

- Responsive repairs, void repairs, planned maintenance, gas inspections, electrical inspections, direct labour management
- Tenancy management, lettings, appointments, home ownership / Right to Buy
- Rents administration, rent collection and arrears recovery
- Asset management, asset register, new build and development
- Mobile working
- Document management
- Reporting
- Mapping and GIS

## 3.4 Proposed Timetable

Milestone	Delivery Date
<b>Phase 1 - Procurement</b>	
Project Initiation Document sign off	24/11/2016
Housing Scrutiny Committee consideration	18/01/2017
Council consideration and approval	23/02/2017
Detailed specification produced and signed off	31/03/2017
Tender documents produced and signed off	14/04/2017
PQQ issued	24/04/2017
PQQ returns	26/05/2017
PQQ evaluation / shortlist	09/06/2017
Outline submission	16/06/2017

Milestone	Delivery Date
Dialogue	21/07/2017
Final submission	08/09/2017
Evaluation	01/12/2017
Contract awarded to supplier and signed off	19/12/2017
<b>Phase 2 - Implementation</b>	
Implementation of new Housing System	To be confirmed post completion of Phase 1
<b>Project Closure</b>	
Successful implementation	January 2019

## 4. Implications

### (a) Financial Implications

Resource of £500,000 has been accumulated in a repairs and renewals fund for the re-procurement of the housing management information, with permission to spend this allocation being sought as part of the 2017/18 budget process..

The current annual support and maintenance budget confirmed to be held by 3C ICT for the existing contract with Orchard, and any associated third party suppliers is £75,000. It is expected that the new system will be procured using current annual support costs as the benchmark. However, the spend per annum is wholly dependent on the type of system selected going forward; a cloud-based system with online functionality may have a higher annual cost, but require much less input from on-site support teams and require fewer servers, thus reducing internal and shared service recharges.

The total cost of the proposed system, in terms of supply, implementation and ongoing support, will be analysed as part of the evaluation and selection process. A contract will be awarded in line with the Council's Contract Procedure Rules.

### (b) Staffing Implications

Key housing staff will be involved at different stages of the project, depending upon their specialist knowledge. Tasks will include taking part in workshops and meetings to define the system specification, documenting and analysing the current and future processes / systems, training and technical implementation.

It is expected that this work will be undertaken by existing staff within housing and 3C ICT, due to the level of experience required. Some additional funding

may be required to allow backfill of key roles as part of phase 2 of the project, and the Housing Transformation budget may be called upon to meet this cost.

**(c) Equality and Poverty Implications**

An EqIA has not been completed at this phase of the project; it is expected that any future housing management I.T. system will have the required capacity and tools to help the Housing Service deliver against its equality & poverty objectives. Analysis of any new system's capacity to record and analyse all data, including equality and poverty data, will be an integral phase of the project prior to procurement.

**(d) Environmental Implications**

There are no direct environmental implications associated with the decision to re-procure a housing management information system, although prospective supplier's approach to environmental issues is likely to form part of the tender evaluation process. The ability for more customers to self-serve is likely to have a positive impact on the environment, if this method replaces the need for some customers to travel to visit Council offices.

**(e) Procurement**

Due to the value of the joint project, OJEU procurement rules will apply. The procurement process will be managed by 3C ICT, with input from the Procurement teams at both authorities.

**(f) Consultation and communication**

Communication will be the responsibility of the Project Manager, in line with a formal Project Communication Plan.

**(g) Community Safety**

There are no community safety issues associated with this report

**5. Background Papers**

These background papers, prepared by 3C ICT, were used in the preparation of this report:

- Housing System Procurement – Draft Project Control Document – V1.
- Housing System Procurement Communications Plan – V1.

## **6. Appendices**

There are no appendices associated with this report.

## **7. Inspection of Papers**

To inspect the background papers or if you have a query on the report please contact:

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To: Executive Councillor for Housing

Report by: Trevor Burdon, Head of Estates and Facilities

Relevant scrutiny committee: Housing Scrutiny Committee

Wards affected: All wards

Key Decision Yes

*18<sup>th</sup> January 2017*

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## **POLICY ON ADAPTATIONS FOR DISABLED TENANTS**

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### **1. Executive summary**

- 1.1. A comprehensive review of the Disabled Adaptations Service has been completed and this Policy will replace the previous version dated 2008.
- 1.2. Care and Repair England has highlighted that “Home Adaptations” have a critical role to play in delivering a policy which includes:
  - Continued extension of independent living
  - Efficient delivery of health and care services, at or closer to home,
  - Reduced use of NHS services/reductions in delayed transfer of care,
  - Better management of long term conditions and
  - Prevention of high cost incidents, such as falls in the home”.
- 1.3. In order to continue to provide a high quality adaptations service to its tenants and to balance the best use of its resources, the City Council aims to bring greater parity between the way housing adaptations are managed through the housing revenue account and the Disabled Facilities Grant (DFG) regime applied to other social housing and the private sector.

## **2. Recommendations**

The Executive Councillor is recommended to:

- 1) approve the Disabled Adaptations Policy 2017

## **3. Background**

- 3.1. As a result of government changes announced in 2015, the Housing Revenue Account (HRA) is facing significant financial pressures requiring fundamental reviews of all HRA funded housing services. These reviews are described in the Housing Transformation reports submitted to Housing Scrutiny Committee throughout 2015 and 2016 and are further reported to this meeting in January 2017. Proposals previously approved by the Scrutiny Committee specifically included for a review of the adaptation service for disabled tenants which has not been examined since 2008.
- 3.2. The City Council is committed to providing suitable housing to meet the needs of disabled people. In the last five years, Cambridge City Council has invested £4.3m in adapting council housing for use by households including a disabled person or for those with a long term physical need.
- 3.3. Although tenants may also apply for financial assistance to modify their homes from a system introduced in 1989 (amended in 1996) called the Disabled Facilities Grant (DFG) typically stock retaining landlords provide and fund adaptations for their own stock.
- 3.4. The previous (2008) Policy has resulted in council tenants being treated more favourably than private occupiers or other social housing tenants who have to apply for mandatory DFG funding which is financially capped, is means tested and has to adhere to the basic principles that any adaptation must be “necessary and appropriate” to meet the disabled person’s needs (as assessed by a medical professional), and is “reasonable and practicable” having regard to the age and condition of the property.
- 3.5. A peer review of other social landlords completed in 2016 shows that, unlike the City Council, 70% of those surveyed make use of DFG to help fund the costs of adapting social housing tenant’s properties.
- 3.6. Last year, as a comparison, the City Council spent almost twice as much adapting its council owned stock for use by disabled people than that funded through the DFG scheme for all other [disabled]

householders in Cambridge City. A number of these adaptations were for households whose needs may have been more appropriately met by moving to other suitable or pre-adapted housing.

- 3.7. With an increasing ageing population, it is expected that demand for adaptations will increase resulting in an increasing need for the council to prioritise where its limited budgets are spent.
- 3.8. The city council has achieved demonstrable success at supporting older and vulnerable people to move when needed and this new Policy also aims to provide financial assistance to further support those who decide to move.
- 3.9. As a result of the government restricting rent increases (and enforcing a reduction for 4 years), the funding needed to meet the increasing costs of disabled adaptations cannot be achieved by increasing rents and the available budget must therefore be prioritised for those in greatest need.
- 3.10. Each year the council completes a large number of adaptations. The following data provides an overview of the current service provision and demand:

a) full year delivery of adaptations

- 58 level access showers
- 25 over bath showers
- 15 modular ramps, 4 automatic door openers, widened a number of doorways
- 21 stair lifts and 1 through floor lift
- 11 fencing jobs
- 5 specialist WC's and 1 WC lifter
- 2 property extensions
- 381 minor jobs (rails, half steps, lever taps etc)

b) Housing Stock detail

Statistically, at least 23% of all council housing in the City has already been adapted to some extent for disabled residents.

c) Housing need

- In 2015/16, 39 households with an urgent medical need to move were housed by Cambridge City Council, 54% of those considered themselves disabled although only 15% required property adapted to the highest mobility levels. Applicants had been on the housing register for up to two years.

- In May 2016, there were 233 applicants on the housing register with a live application and a mobility rating. 12% of those require a property adapted to the highest mobility levels and 35% of those were aged over 65. 17 people registered with an urgent medical need to move, of which the majority classed themselves as disabled.
- Of the adaptations completed between 2013/14 and 2015/16, on average 84% of adaptations were completed for adult household members and 16% were for children.

3.11. Nationally, older people are living longer and there is an estimated 27% projected growth in older people in Cambridgeshire by 2031.

3.12. A recent profiling exercise of Cambridge City Council tenants indicated that one third of tenants are aged over 65. Data on the number of disabled tenants is limited although an exercise completed in 2008 indicated that about 11% of all tenants at that time identified themselves as having some form of disability.

3.13. Over the last 10 years, Cambridge City Council has also spent several million pounds refurbishing its older people's sheltered housing. The standard of this accommodation is very good and many flats in the category 2 sheltered schemes (ie those with a number of flats all under one roof) are modernised to lifetime standards and are therefore equipped and appropriate for disabled residents.

3.14. The proposed Policy therefore takes account of the service demands, and existing stock provision and sets out how available financial resources can be better targeted to continue delivery of "reasonable and practicable" adaptations, which are generally consistent with DFG criteria, whilst also ensuring that, wherever possible, consideration is given to alternative property that could be better matched to a disabled tenants' individual needs. The Policy highlights how disabled people will continue to exercise choice in terms of where they live and how targeted support will be offered to maximise opportunities to enable applicants to bid via choice based lettings as well as enabling the city council to direct let its most adapted properties to those in greatest needs where required.

## **4. Implications**

4.1. A desktop review of 142 completed adaptations between 2010 and 2016 shows that 76% of the tenant households were in receipt of full

or partial housing benefit. 28% of tenancies had ended by June 2016.

- 4.2. The Disabled Adaptation Policy aims to align its processes more closely with that applied to other social rented and private sector housing by assimilating some of the criteria used when a householder applies for a disabled facilities grant (DFG).
- 4.3. This Policy therefore intends to implement a test of resources for council tenants applying for an adaptation. The impact of this will be mitigated because evidence suggests that at least 76% of those applying for an adaptation will be in receipt of a benefit which means they are exempt from the means test. The remaining 24% will have their benefits and income assessed and where appropriate will be asked to financially contribute towards the cost of the adaptation.
- 4.4. The Policy also intends to introduce a weekly recharge to those householders with an adaptation which requires some form of on-going maintenance service costs. This charge would become payable as part of a weekly charge collected alongside the rent. For those in receipt of full or partial housing benefit, this charge would be met in part or full in accordance with the benefits regulations that apply at the time. A table showing the charges is included in the Policy.
- 4.5. These measures, along with others identified in the Policy will help reduce the impact of increasing demand on the disabled adaptations budget.

## **5. Financial Implications**

- 5.1. The implementation of this Policy will result in some tenants having to financially contribute towards their adaptation. Others, who decide to relocate, will be able to access financial assistance if their adaptation would have exceeded £2500 or more generally as part of the council's under-occupation incentive scheme.
- 5.2. The financial impact for tenants who are assessed as having to financially contribute will be reduced or exempted entirely for those in receipt of housing and certain other benefits as identified in the Policy.
- 5.3. It is envisaged that the revised Policy will enable the council to better utilise its limited budgets to ensure that the money spent on adaptations is prioritised for those in greatest need and where that need cannot otherwise be met with suitable alternative housing.

5.4. A desktop exercise applying the new Policy to a small sample of adaptations completed in 2014/15 indicated that the amount spent could significantly reduce due to a combination of the effects of the proposed changes described in this Policy. However, this is a small sample and future financial effects would clearly depend upon the individual circumstances of new applicants. It is expected nonetheless that the Policy could realise a saving of £150 000/year from an existing annual budget of approximately £900,000.

5.5. In the absence of a Policy to manage the overall delivery of adaptations it is likely that the cost of unrestricted adaptation requests will continue to rise and would not be sustainable within budgets currently available within the approved 30 year HRA Business Plan.

## **6. Staffing Implications (if not covered in Consultations Section)**

No additional staffing implications

## **7. Equality and Poverty Implications**

An Equality Impact Assessment has been completed and is available on the Council's internet site.

## **8. Environmental Implications**

The updated Policy will promote recycling of equipment as far as practicable.

## **9. Procurement**

There are no procurement implications.

## **10. Consultation and communication**

10.1. A list of the consultation completed is included within the Equality Impact Assessment. Consultation has included two focus groups with disabled tenants, a series of meetings with and presentations to representative tenants and relevant professionals.

10.2. The City Council commissioned an independent organisation run by people with disabilities for people with disabilities, Cambridge Alliance for Independent Living to assist it's communication with tenants and an article inviting further contact was placed in the tenant's newsletter, Open Door.

10.3. The council also sought further legal advice with regard to the Equalities Act and the proposed means testing.

## **11. Community Safety**

There are no community safety implications.

## **12. Background Papers**

See appended Policy

## **13. Appendices**

### **CAMBRIDGE CITY COUNCIL POLICY ON ADAPTATIONS FOR DISABLED TENANTS (HRA Property) : effective 1 April 2017**

## **14. Inspection of papers**

To inspect the background papers or if you have a query on the report please contact:

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# **CAMBRIDGE CITY COUNCIL**

## **POLICY ON ADAPTATIONS FOR DISABLED TENANTS (HRA Property)**

**(effective 1 April 2017)**

### **1.0 Executive Summary**

A comprehensive review of the Disabled Adaptations Service has been completed and this policy will replace the previous version dated 2008. The City Council aims to bring greater parity between the way housing adaptations are managed through the housing revenue account (HRA) and the Disabled Facilities Grant (DFG) regime applied to other social housing and the private sector. The key features of this policy include:

- A greater focus on supporting people to consider how their housing needs can be met in the longer term.
- Financial assistance to support people with the costs of relocating where needed.
- Support to meet older people's overall well-being including support for carers, safety in the home, access to welfare benefits, social inclusion and referrals to sensory services and other healthcare services.
- Means Testing those assessed as having the financial capacity to contribute towards the required adaptations and introducing a recharge in respect of servicing costs
- Ensuring adapted properties are let to those in greatest need
- Ensuring the available budget is used efficiently and that the council is able to maximise the best use of its stock.

### **2.0 Background**

The aim of the Adaptations Service is to enable tenants with disabilities to be provided with housing which best meets their assessed needs. This policy

supports the best use of resources which may not necessarily be achieved by keeping tenants in the home they are currently living in, but also to provide options to relocate. Adaptations will not be completed where the persons' needs can reasonably be met through rehousing.

The policy will also guide Occupational Therapists (OT) and other professionals to understand what the council will and will not be able to assist with in terms of adaptations to their home.

### **3.0 Legal context**

In determining this policy, regard has been given to the Council's Lettings Policy 2016 alongside the relevant statutory provisions and requirements mentioned in the Care Act 2014, the Equality Act 2010, the Chronically Sick and Disabled Persons Act 1970, the Housing Grants, Construction and Regeneration Act 1996, as amended by the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002.

Section 149 of the Equality Act 2010 imposes a duty on a public authority, where it must in the exercise of its functions, have due regard for the need to eliminate discrimination and promote equality.

#### **Necessary and Appropriate, Reasonable and Practicable Works**

Section 24 of the Housing Grants, Construction and Regeneration Act 1996 places a duty on housing authorities who are not themselves a social services authority to consult the relevant social services authority and to satisfy themselves that the works are reasonable and practicable having regard to the age and condition of the property

- Assessments are completed by Occupational Therapists (OT's) in line with their good practice guide and a referral is submitted to the City Council detailing the nature of the works required. Each case will be individually assessed on its own merits and the Council decides what is reasonable in the light of its need to make housing available to a wide range of people in need, over the long term. Therefore the Council will not normally deem it reasonable to carry out adaptations that limit the future use of family housing to households with disabilities but will support such families to move to suitable accommodation.

- Reasonableness also relates to cost, and where the particular construction type of a property makes it excessively costly to adapt, the Council may refuse the adaptation in favour of offering alternative housing that meets the applicants needs or which can be readily adapted at a lower cost.

#### **4.0 Application process**

The City Council is committed to working in collaboration with Health and Social Care to enable people to remain independent in suitable housing for as long as possible.

#### **4.1 Applying for an adaptation**

An applicant may request an OT assessment by contacting Cambridgeshire Direct on 0345 045 5205. The contact centre will take their details including their requirements and categorise their needs as either urgent or non-urgent. A request will normally be classified as urgent if the person does not have access to a kitchen or toilet or they are terminally ill.

The OTs will arrange a visit to assess the person's needs as required. Following this visit, the OT will discuss the applicant's needs at a specially convened panel and make recommendations to the council.

The OT may order some minor works without the need to visit and these will be sent to the council as appropriate. Once an order is received the council will contact the tenant.

Adaptations will be categorised into two groups

- 1) **Minor adaptations** as referred to in **section 5.0** of this policy and
- 2) **Major adaptations** as referred to in **section 7.0** of this policy.

#### **4.2 Eligibility**

An individual will be considered for adaptations to their home if they are:

- a Cambridge City Council tenant and/or
- a partner or a member of the tenant's immediate family who has been a permanent resident of the household for at least 12 months up to and

including the date of application and they have an impairment which has a significant and serious long term effect on their ability to:

- a) carry out normal day to day activities in or around their home
- b) access essential facilities within the home

Under the terms of this Policy, a person is regarded as being disabled if they have a physical, sensory or mental impairment, which has a substantial and long-term adverse effect on their ability to carry out normal day-to-day activities within their home. A long-term effect refers to disabilities that have lasted for at least 12 months, the effects of which last for at least 12 months, or which are likely to last for the remainder of a person's life.

A tenant may also contact the council directly for certain types of minor adaptations, many of which can be ordered directly. The Council will contact an OT for advice and a visit if needed.

## **5.0 Minor Adaptations (under £1000)**

The Council will provide minor aids and adaptations up to the value of £1000 free of charge. These will include but are not limited to:

- Lever Taps
- Grab Rails
- Mopstick handrails
- Toilet handrails
- Half steps

In the event that a customer has accessed an Occupational Therapist (OT) directly (4.1 above) and an assessment has been completed, the council will determine whether additional consideration of a tenant's long term housing options is required.

It is the City Council's intention to ensure that the needs of the client are balanced with the suitability of adapting the property depending on the tenant's circumstances and the alterations required to the house or flat.

The council will consider each request on its own merit taking into account a variety of factors.

## **6.0 Long Term Housing Needs**

Where an adaptation is likely to exceed £1000 a visit will be arranged to discuss the tenants broader needs including the best long term housing solution which may include a move to alternative accommodation .

For some, moving home can be a stressful process. The Council has extensive experience of supporting people to move and resettle in new accommodation. Every effort will be made to support the person to find housing in a location that is most suitable for their needs.

If it is decided that a tenant's needs may be better met by relocating, then financial help will be offered if the adaptation would have exceeded £2500. This financial assistance will be equivalent to (but not in addition to) that made to tenants in accordance with the Council's under-occupation incentive scheme.

Where a tenant decides to move, in order to maximise their choices, they will be able to bid on the Homelink system for a suitable property. Where the tenant's rehousing needs have been assessed by an OT, a housing needs report will be submitted to the Housing Advice Service. It is expected that the tenant will also make their needs known as part of the housing application process and help to complete the application will be offered where requested along with the option to select automatic bidding.

As there are home seekers on the housing register who also require an adapted property, as far as possible, adapted properties will continue to be advertised on Homelink to promote choice and ensure fair access to accommodation.

In accordance with the Lettings Policy 2016, where an applicant has an urgent medical need to move, they will be given a priority move (either Emergency Housing or Band A status).

Where an applicant requires a specific size, type or adapted property, they will be placed in the appropriate housing needs band, but may be offered a direct let, if the Council has a shortage of suitable properties.

Those waiting for an urgent move will be provided with temporary adaptations, for example a removable ramp or other equipment as recommended by an OT in

order to meet their needs in the short term.

Non urgent cases will be banded in accordance with the Lettings Policy

## **7.0 Major Adaptations**

The council will liaise with the tenant and their family to ensure that the applicants needs have been fully considered in accordance with section 6.0 above and will only complete major adaptations where the works are identified as necessary and appropriate, reasonable and practical as recommended by an OT.

The following will be taken into account:

- The total value of the proposed adaptation (including design costs) which should not exceed the max value of an equivalent Disabled Facilities Grant. The availability of alternative social housing for the tenant which meets the needs of the household
- The availability of housing that would be more suitable to adapt
- Any exceptional circumstances which require the person to remain in their current property
- Whether the property is suitable for building alterations as determined by the council
- The size of the household and their housing needAny unacceptable health and safety risks associated with the desired adaptations
- The occupants status, the type of tenancy held and any pending possession access.
- The person's wider physical health needs and the length of time that they will remain in the property

Some adaptations may be fast tracked where the tenant's accommodation is suitable for their on-going needs. As a common example, this may include level access showers to ground floor flats.

Vehicular access ways and hard standings will only be installed where the availability of parking is limited in relation to the distance to the applicant's entrance door.

Some cases are complex and require a multi-disciplinary approach with other professionals. However, all cases will be determined on their own merit and where an applicant's needs can only be met in their existing accommodation, this work will be arranged without further delay.

Adaptations will be completed subject to available budget. If the budget is spent, applications received beyond this, will be added to a waiting list.

## **8.0 Circumstances where we will not undertake an adaptation**

This section of the policy only relates to adaptations exceeding £1000.

We will not adapt a property in the following circumstances:

- Where a person is under occupying by *more than* one bedroom, where they are overcrowding (except in exceptional circumstances) or are waiting for a transfer to another property.
- Where the adaptation is unreasonable ie: installing a level access shower to a flat above ground floor which cannot be accessed by an *existing* lift or where the tenants needs can be met with alterations to the original proposal ie: fencing a reasonable amount of garden rather than the entire garden or using a ground floor second reception room as a bedroom
- Where there is other suitable alternative adapted, part adapted accommodation or where it is considered likely that a suitable property will become available within 12 months of the request being made.
- Where an adaptation would adversely affect the council's ability to make the best use of the stock and and relet the property in the future.
- Where the cost of the adaptation is prohibitive and exceeds the equivalent maximum value applied to a DFG
- where the applicant's condition is such that further adaptations will be required over time and during that time it is considered likely that alternative suitable accommodation will be available
- Where an adaptation would place others at risk e.g: a communal stair lift with no alternative access for other first floor residents
- Other than in exceptional circumstances, where a person is leaving a

property with suitable adaptations already present within 5 years of those adaptations being completed.

- Where the building is unsuitable for adaptation due to its construction

## **9.0 Test of Financial Resources (Means Test)**

The Council will operate a Means Test in order to align its service with the principles adopted for Disabled Facilities Grants (applied in the private sector and in housing associations). This will only apply to new requests for adaptations and will not apply to adaptations below £1000.

More information about DFG is available at [www.gov.uk/disabled-facilities-grants](http://www.gov.uk/disabled-facilities-grants) and a guidance leaflet explaining the test of resources will be available for tenants.

The Means Test, known as a “test of resources” is used to calculate the financial contribution that the tenant may be required to make towards the cost of the adaptation. In order to ensure consistency, the same assessment criteria will be used for council housing adaptations as that applied to DFG.

In accordance with the criteria, disabled children (under 16) and certain young people (16-20) as well as tenants in receipt of the following benefits will be exempt from the test of resources:

- Income Support
- Income based Employment Support Allowance (not contribution based)
- Income based Jobseekers allowance (not contribution based)
- Guaranteed pension credit (not savings pension credit alone)
- Housing Benefit
- Council Tax reduction scheme
- Working Tax Credit and/or Child Tax credit (provided that the annual income for the purposes of assessing entitlement to the tax credit is less than £15050)

Given the changes with welfare reforms, the above exempt benefits will be

adjusted in line with regulations and will take account of universal credit.

Tenants will be asked to provide at least 3 months evidence of claiming the above benefits over the preceding 3 months.

If a financial contribution is required, the tenants will be required to pay this in advance of the work being completed. The outcome of the test of resources assessment will be shared with the tenant. The multipliers used as part of the test of resources are lower for social housing tenants than those in the private sector resulting in a comparable lower contribution toward the cost of the adaption.

If a tenant does not wish to disclose their financial details, they are not required to do so, however, no financial assistance will be offered by the council and the tenant will have to pay for the full cost of the adaptation.

## 10.0 Servicing and annual maintenance charges

Any adaptations ordered after the implementation date of this policy which require regular servicing resulting in ongoing maintenance costs will be subject to a weekly recharge to the tenant. This will include replacements for existing tenants. This will not apply to equipment fitted for children (under 16) and certain young people (aged 16-20).

The cost will appear as a weekly charge on the tenants rent account. If the tenant is in receipt of housing benefit, the charge will be covered in part or in full in accordance with the housing benefits regulations as they apply.

The table below provides indicative (2016/17) weekly charges:

Stairlift	£3.39 per week on a 48 week basis
Steplift	£3.90 per week on a 48 week basis
Through floor lift	£3.90 per week on a 48 week basis
OHT / Hoist	£4.20 per week on a 48 week basis
Specialist W/C	£3.02 per week on a 48 week basis
Specialist Bath	£4.27 per week on a 48 week basis

Service recharges will be limited to a maximum of two per property and will be payable weekly with the rent.

## **11.0 Tenants alterations**

If a tenant wishes to install their own alterations to make their home more suitable for their needs, they should apply under the Tenants Alteration Procedure. The Council will not unreasonably withhold consent, but will refuse permission for adaptations that make the home less suitable for occupation in future.

## **12.0 Where adaptations are no longer required**

Although the council will have made every effort to ensure adapted accommodation is let to those in need, there are occasions when, due to low demand, a property may be let to an able bodied person. If an adaptation cannot be used by the incoming tenant and can easily be removed, it will be removed by the council free of charge. The council will recycle equipment as far as possible.

In the event that a tenant without a disability accepts a property with an adaptation, they do so on the understanding that the adaptation will not be removed. Items which can be recycled, like stairlifts, will be removed prior to occupation.

Adaptations such as level access showers or fixed ramps will only be replaced at the end of the items economic life as determined by the council. At this point, staff will consider the needs of the household at that time. Prospective tenants will be advised of this in advance of accepting the tenancy.

Where the person for whom an adaptation has been completed no longer resides in the property and the tenancy continues ie: for succession, any equipment that cannot be removed easily will remain in the property and the weekly servicing and maintenance charge in respect of that piece of equipment will continue until the tenancy ends. If the remaining tenant is on housing benefit, they will be supported to apply for a discretionary housing benefit payment to cover this cost.

## **13.0 Timescales:**

As a guide, tenants may expect their adaptations to be completed within 90 days from the date when the work is ordered.

Approved adaptations for those pending hospital discharge, those with limited access to essential facilities or the potential for harm to a carer will be prioritised.

The council will work closely with health and social care professionals to ensure that the requirements of tenants with deteriorating or life limiting conditions are addressed in a timely manner, with dignity and in consideration of their current and future needs.

#### **14.0 Future rehousing**

Properties will be allocated in accordance with the criteria set out in the council's Lettings Policy and adverts will clearly show the mobility level of each available property. Tenants moving from adapted housing may not be allocated any further priority if their current housing remains suitable for their existing needs.

In order for the council to make best use of its resources, it is expected that the occupant for whom the adaptation has been completed will remain in the property for at least five years after the adaptation has been completed if their circumstances, in accordance with the lettings policy are otherwise the same.

#### **15.0 Mutual Exchange**

If a tenant applies for a mutual exchange, the council will engage an OT to assess the suitability of the proposed exchange where either a property is adapted or one or more of the parties to the exchange has needs for adaptations. The council may refuse an exchange in accordance with S3, Housing Act 1985.

#### **16.0 New Housing Developments**

As part of its development program, the Council aims to increase availability of high quality, newly built accessible housing for people to move to.

The Housing Development Agency is presently creating a Housing Design Guide for new council housing and for private development on council owned land. This will set minimum requirements for accessibility standards.

The Council may adopt a Local Lettings Policy which gives priority for existing tenants who require a specific adaptation however; this will be considered on a

site specific basis and taking account of housing need at the time.

### **17.0 Appeals, suggestions, complaints and compliments**

The Council is committed to providing good quality housing for its tenants. The council welcomes feedback that enables it to improve services and will respond to complaints in line with its policy.

In the event that a tenant wishes to appeal against the decision to refuse an adaptation, they may write to the Head of Estates and Facilities who will refer the case to a panel of senior officers. Where available this will also include an OT. If the tenant remains dissatisfied they may refer to the City Council's complaints procedure.

### **18.0 Equal Opportunities**

The City Council has an equal opportunities policy and works positively to continually improve and make services accessible to all.

An equality impact assessment has been completed and is available separately.

This document can be made available in other languages and in large print or audio transcript if required.

### **19.0 Implementation and review**

This policy will come into effect on 1<sup>st</sup> April 2017. The policy will be available on the City Council's web page and specifically shared with relevant professionals involved with the service. The policy will be periodically reviewed and any significant changes referred back to the appropriate scrutiny committee.



To: Executive Councillor for Housing: Councillor Kevin Price  
Report by: Julia Hovells, Business Manager / Principal Accountant (Housing)  
Relevant scrutiny committee: Housing Scrutiny Committee 18/1/2017  
Wards affected: All Wards

## 2017/18 HOUSING REVENUE ACCOUNT BUDGET SETTING REPORT

### Key Decision

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#### 1. Executive summary

- 1.1 As part of the 2017/18 budget process, the range of assumptions upon which the HRA Business Plan and Medium Term Financial Strategy were based, have been reviewed in light of the latest information available, culminating in the preparation of the HRA Budget Setting Report.
- 1.2 The HRA Budget-Setting Report provides an overview of the review of the key assumptions. It sets out the key parameters for the detailed recommendations and final budget proposals, and is the basis for the finalisation of the 2017/18 budgets.
- 1.3 The resulting recommendations refer to the strategy outlined in the HRA Budget Setting Report.
- 1.4 The HRA Budget Setting Report is presented to this meeting of the Housing Scrutiny Committee on 18<sup>th</sup> January 2017, to allow consideration and scrutiny of proposals for both the review of rents and service charges and the revenue bids and savings, which form part of the HRA budget. The Executive Councillor for Housing will approve rents, service charges and the final HRA revenue budget, after consideration of any budget amendments for the Housing Revenue Account.
- 1.5 The Housing Scrutiny Committee will also consider and scrutinise the Housing Capital Investment Plan, including capital bids and all associated funding proposals, prior to the Executive Council for

Housing making final capital recommendations for approval at Council on 23<sup>rd</sup> February 2017.

## **2. Recommendations**

Under Part 1 of the agenda, the Executive Councillor, is recommended, following scrutiny and debate at Housing Scrutiny Committee, to:

### **Review of Rents and Charges**

- a) Approve that council dwellings rents for all social housing properties be reduced by 1%, in line with legislative requirements, introduced as part of the Welfare Reform and Work Act, with effect from 3<sup>rd</sup> April 2017. This equates to an average rent reduction at the time of writing this report of £1.00 per week on a 52 week basis.
- b) Approve that affordable rents are reviewed in line with rent legislation, to ensure that the rents charged are no more than 80% of market rent, with this figure then reduced by 1%, as with social housing. Local policy is to cap affordable rents at the Local Housing Allowance level, which will result in a rent freeze from 3<sup>rd</sup> April 2017.
- c) Approve inflationary increases of 2.4% in garage and parking space rents for 2017/18, in line with the base rate of inflation for the year assumed in the HRA Budget Setting Report.
- d) Approve the proposed service charges for Housing Revenue Account services and facilities, as shown in Appendix B of the HRA Budget Setting Report.
- e) Approve the proposed leasehold administration charges for 2017, as detailed in Appendix B of the HRA Budget Setting Report.
- f) Approve that caretaking, building cleaning, estate services, grounds maintenance, temporary housing premises and utilities, sheltered scheme premises and utilities, digital television aerial, flat cleaning and catering charges continue to be recovered at full cost, as detailed in Appendix B of the HRA Budget Setting Report, recognising that local authorities should endeavour to limit increases to inflation as measured by CPI at September 2016 (1%) plus 1%, wherever possible.
- g) Approve that service charges for gas maintenance, door entry systems, lifts and electrical and mechanical maintenance are increased in an attempt recover full estimated costs, as detailed in Appendix B of the HRA Budget Setting Report, recognising that local

authorities should endeavour to limit increases to inflation as measured by CPI at September 2016 (1%) plus 1%, equivalent to an increase of 2% in total, wherever possible.

- h) Approve the transfer of budgets for smoke detectors, fencing and third party professional fees to revenue, from capital, recognising the work being carried out in these areas in the future.

## **Revenue – HRA**

Revised Budget 2016/17:

- i) Approve with any amendments, the Revised Budget identified in Section 4 of the HRA Budget Setting Report, which reflects a net reduction in the use of HRA reserves for 2016/17 of £229,650.

Budget 2017/18:

- j) Approve with any amendments, the Non-Cash Limit items shown in Appendix D (1) of the HRA Budget Setting Report.
- k) Approve with any amendments, the Savings, Increased Income, Unavoidable Revenue Pressures and Reduced Income proposals, shown in Appendix D (1) of the HRA Budget Setting Report.
- l) Approve the resulting Housing Revenue Account revenue budget as summarised in the Housing Revenue Account Summary Forecast 2016/17 to 2021/22 shown in Appendix J of the HRA Budget Setting Report.

Under Part 2 of the agenda, the Executive Councillor for Housing is asked to recommend to Council (following scrutiny and debate at Housing Scrutiny Committee):

## **Treasury Management**

- m) Request that, in 2017/18, officers conclude a review of the existing approach to treasury management, which requires 25% of the value of the housing debt to be set-aside by the point at which the loan portfolio matures. The review will consider the risks associated with a recommendation to fully re-finance the loan portfolio, against the potential financial benefit to the business plan in the shorter term of investing the resource in income generating assets. A separate report will be brought back to Housing Scrutiny Committee in 2017/18 following this review.

## Housing Capital

- n) Approval of capital bids, shown in Appendix D (2) of the HRA Budget Setting Report, to include balcony works at Kings Hedges and Arbury, additional investment in Disabled Facilities Grants, and replacement of the existing housing management information system, where the cost of the latter will be met from an existing repair and renewals fund for IT services.
- o) Approval of the transfer of budgets for smoke detectors, fencing and third party professional fees from capital to revenue, recognising the work being carried out in these areas in the future.
- p) Approval of the latest Decent Homes Programme, to include updated allocation of decent homes expenditure for new build dwellings, as detailed in Appendix E of the HRA Budget Setting Report.
- q) Approval of re-profiling of budget totalling £954,000 for the new build schemes at Water Lane, Hawkins Road and Fulbourn Road, where completion of dwellings is now anticipated in 2017/18, as detailed in Appendices E and H, and summarised in Appendix K, of the HRA Budget Setting Report
- r) Incorporation into the Housing Capital Investment Plan, of anticipated grant of £14,000,000 per annum for 5 years, in respect of devolution funding to assist in the delivery of 500 new affordable homes in the city.
- s) Approval of a £20,000,000 per annum, new build programme, for 5 years beginning in April 2017, recognising that devolution has been approved, that the authority will receive a grant of £14,000,000 per annum towards the delivery of new affordable homes and will utilise retained right to buy receipts and HRA resources to meet the balance of funding required. This programme will replace the previous RTB New Build Programme and the assumption that the authority may need to provide grants to registered providers when sufficient resource were no longer available to top up retained right to buy receipts.
- t) Approval to earmark additional resource of £1,740,000 towards the cost of the re-provision of the existing 23 socially rented homes at Anstey Way, allowing a revised scheme to be brought forward, with any addiitonality on the site being funded from the devolution programme, using devolution grant and retained right to buy receipts.

- u) Approval of the revised Housing Capital Investment Plan as shown in Appendix K of the HRA Budget Setting Report.

## **General**

- v) Approval of delegation to the Head of Finance, as Section 151 Officer, to make the necessary detailed budgetary adjustments in the HRA, in respect of savings approved as part of the HRA Budget Setting Report, following the outcome of consultation with both tenants and staff about proposed service changes and resulting final savings.
- w) Approval of delegation to the Head of Finance, as Section 151 Officer, to approve an in year increase in the budget for disabled facilities grants, in direct relation to any increase in the capital grant funding for this purpose, as received from the County Council through the Better Care Fund.
- x) Approval of delegation to the Head of Finance, as Section 151 Officer, to make the necessary detailed budgetary adjustments in the HRA, to reflect the impact of the triennial valuation of the Cambridgeshire Local Government Pension Scheme.
- y) Approval of delegation to the Strategic Director, in consultation with the Head of Finance, as Section 151 Officer, to draw down resource from the ear-marked reserve for potential debt redemption or re-investment, for the purpose of open market property acquisition or new build housing development, should the need arise, in order to meet quarterly deadlines for the use of retained right to buy receipts.

## **3. Implications**

All budget proposals have a number of implications. A decision not to approve a revenue bid will impact on managers' ability to deliver the service or scheme in question and could have staffing, equal opportunities, environmental and / or community safety implications. A decision not to approve a capital or external bid will impact on managers' ability to deliver the developments desired in the service areas.

### **(a) Financial Implications**

The financial implications associated with decisions are outlined in the HRA Budget Setting Report 2017/18, appended to this report, for consideration by both Housing Scrutiny Committee and Council.

## **(b) Staffing Implications**

Any direct staffing implications are summarised in the HRA Budget Setting Report 2017/18, appended to this report and identified in more detail as part of the Housing transformation Programme Report, which is also presented to Housing Scrutiny Committee as part of this committee cycle.

## **(c) Equality and Poverty Implications**

An Equalities Impact Assessment has been undertaken in respect of new budget proposals where any impact (positive or negative) is anticipated. The consolidated assessment is presented at Appendix L of the HRA Budget Setting Report.

## **(d) Environmental Implications**

Where relevant, officers have considered the environmental impact of budget proposals, with any impact highlighted in the HRA Budget Setting Report 2017/18, appended to this report.

## **(e) Procurement**

Any procurement implications arising directly from revenue or capital bids will be considered and addressed as part of each individual project.

## **(f) Consultation and communication**

Consultation with tenant and leaseholder representatives is an integral part of the Housing Scrutiny Committee process. The views of tenants and leaseholders, in respect of investment priorities, were sought as part of the last STAR tenants and leaseholder survey and subsequent consultation activity, and the findings continue to inform investment priorities, and therefore, this budget process.

## **(g) Community Safety**

Any community safety implications are outlined in the HRA Budget Setting Report 2017/18, appended to this report.

## **4. Background papers**

These background papers were used in the preparation of this report:

Housing Revenue Account Budget Setting Report 2016/17

Housing Revenue Account Medium Term Financial Strategy 2016/17

## **5. Appendices**

The Housing Revenue Account Budget Setting Report 2017/18 is appended to this report.

## **6. Inspection of Papers**

To inspect the background papers or if you have a query on the report please contact:

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To: Executive Councillor for Housing

Report by: Chief Executive, Strategic Director and Head of Finance

Relevant scrutiny committee: Housing Scrutiny Committee 18 January 2017

Wards affected: All Wards

## **Housing - General Fund Portfolio Revenue and Capital Budget Proposals for 2016/17 to 2021/22**

### **Key Decision**

#### **1. Executive summary**

##### **Revenue and Capital Budgets**

- 1.1 The following report details the budget proposals relating to this portfolio that are included in the Budget-Setting Report (BSR) 2017/18 which will be considered at the following meetings:

<b>Date</b>	<b>Committee</b>	<b>Comments</b>
23 January 2017	Strategy & Resources	Consider proposals / recommendations from all Scrutiny Committees in relation to their portfolios
26 January 2017	The Executive	Budget amendment may be presented
13 February 2017	Strategy & Resources	Consider any further amendments including opposition proposals
23 February 2017	Council	Approves General Fund Budget and sets Council Tax

- 1.2 The report also includes a recommendation concerning the review of charges for this portfolio.

#### **2. Recommendations**

The Executive Councillor is recommended to:

##### **Review of Charges:**

- a) Approve the proposed charges for this portfolio's services and facilities, as shown in Appendix A to this report.

**Revenue:**

- b) Consider the revenue budget proposals as shown in Appendix B.

**Capital:**

- c) Note that there are no capital bids or savings presented for this portfolio.

**3. Background**

- 3.1 At its meeting on 20 October 2016, Council gave initial consideration to the budget prospects for the General Fund for 2017/18 and future years in the Medium-Term Financial Strategy (MTFS) 2016.
- 3.2 The overall BSR to Strategy & Resources Scrutiny Committee on 23 January 2017 will include a review of all the factors relating to the overall financial strategy that were included in the MTFS.
- 3.3 The report to The Executive on 26 January 2017 may include details of the Government's Final Settlement for 2017/18. The announcement is likely to be made shortly after the conclusion of the consultation period in January 2017.
- 3.4 Further work may be required on detailed budgets, so delegation to the Head of Finance will be sought from Council for authority to finalise changes relating for example, to the reallocation of departmental administration, support service and central costs, in accordance with the CIPFA Service Reporting Code of Practice for Local Authorities (SeRCOP).

**Budget 2017/18 - Overall Revenue Budget Position**

- 3.5 The budget proposals for this portfolio, as summarised in table 1, will be considered by The Executive at its meeting on 26 January 2017.

**Table 1: Overall Revenue Proposals (see Appendix B)**

<b>Savings and Bids</b>	<b>2017/18 Budget £</b>	<b>2018/19 Forecast £</b>
<b>Savings:</b>		
Increased Income	(32,900)	(32,900)
Savings	(39,800)	(39,800)
<b>Total</b>	<b>(72,700)</b>	<b>(72,700)</b>
<b>Bids:</b>		
Unavoidable Revenue Pressures	0	0
Reduced Income	0	0
Bids	116,800	57,000
<b>Total</b>	<b>116,800</b>	<b>57,000</b>
<b>Net (savings)/bids</b>	<b>44,100</b>	<b>(15,700)</b>

<b>External Bids</b>	<b>0</b>	<b>0</b>
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<b>Non-Cash Limit Items</b>	<b>0</b>	<b>0</b>
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### **Capital**

- 3.6 The majority of capital bids address the on-going renewal, updating and major repairs of the council's buildings and operational assets. As such they support income generation (car parks, commercial property), and the delivery of services (vehicles, building repairs, etc). There are no new capital proposals for this portfolio.
- 3.7 Following a review of the capital plan, it is recommended that the funding from a number of schemes is released and made available for new capital proposals. There are none for this portfolio.

**Table 2: Overall Capital Proposals (see Appendix C, if applicable)**

	2016/17 £	2017/18 £	2018/19 £	2019/20 £	2020/21 £	2021/22 £
Capital Deletions	0	0	0	0	0	0
Capital Bids	0	0	0	0	0	0
<b>Net Capital Bids</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Public Consultation**

- 3.8 The Council has carried out a budget consultation exercise annually since 2002.
- 3.9 This year the council commissioned Mel Research, an independent research company, to carry out a residents' survey following methodology set out in the Local Government Association's (LGA) 'Are you being served' guidelines, found at [local.gov.uk/web/10180/home/-/journal\\_content/56/10180/3484891/ARTICLE](http://local.gov.uk/web/10180/home/-/journal_content/56/10180/3484891/ARTICLE).
- 3.10 This involved sending out by post a questionnaire to a random sample of 4,400 residents. From this random sample 1,250 people returned questionnaires, providing a robust view of what Cambridge residents think.
- 3.11 The questionnaire asked what residents thought about the council, the level of importance they attached to council services, how satisfied they were with services, and how they interacted with the council. Some questions were comparable with those asked in surveys carried out in 2011 and 2008, allowing for changes over a period of time to be identified. Where other local authorities have used the same LGA approach it has been possible to benchmark results.
- 3.12 The final report also includes insights provided by two workshops - the first involving residents from low income households and the second representatives from local businesses. These two groups are important because of the direction given by the council's Anti-Poverty Strategy and the need for the council's to fulfil its best value duty to consult about its budget priorities.
- 3.13 The results of the residents' survey was published on 17 November 2016 and can be found on the council's website at [cambridge.gov.uk/budget-consultation](http://cambridge.gov.uk/budget-consultation).

**4. Implications**

All budget proposals have a number of implications. A decision not to approve a revenue bid will impact on managers' ability to deliver the service or scheme in question and could have financial, staffing, equality and poverty, environmental, procurement, consultation and communication and / or community safety implications. A decision not to approve a capital or external bid will impact on managers' ability to deliver the developments desired in the service areas.

**(a) Financial Implications**

Financial implications of budget proposals are summarised in the General Fund Budget Setting Report 2017/18.

(b) **Staffing Implications**

Staffing implications of budget proposals are also summarised in the General Fund Budget Setting Report 2017/18.

(c) **Equality and Poverty Implications**

A consolidated Equality Impact Assessment for the budget proposals is included in the BSR, reporting separately to Strategy and Resources Committee. Individual Equality Impact Assessments have been conducted to support this and will be available on the Council's website.

A local poverty rating (using the classifications outlined in the BSR) has been included in each budget proposal to assist with assessment.

(d) **Environmental Implications**

Where relevant, officers have considered the environmental impact of budget proposals which are annotated as follows:

- +H / +M / +L: to indicate that the proposal has a high, medium or low positive impact.
- Nil: to indicate that the proposal has no climate change impact.
- -H / -M / -L: to indicate that the proposal has a high, medium or low negative impact.

(e) **Procurement Implications**

Any procurement implications will be outlined in the BSR 2017/18.

(f) **Consultation and Communication Implications**

As outlined in 3 above, budget proposals are based on the requirements of statutory and discretionary service provision. Public consultations are undertaken throughout the year and can be seen at:

[cambridge.gov.uk/current-consultations](http://cambridge.gov.uk/current-consultations)

(g) **Community Safety Implications**

Any Community Safety Implications will be outlined in the BSR 2017/18.

## **5. Background papers**

These background papers were used in the preparation of this report:

- Budget Setting Report 2017/18
- Medium-Term Financial Strategy (MTFS) October 2016
- Individual Equality Impact Assessments

## 6. Appendices

The following items, where applicable, are included for discussion:

Appendix	Proposal Type	Included
A	Review of Fees & Charges	✓
B	Revenue Budget Proposals for this portfolio	✓
C	Capital Budget Proposals for this portfolio	

## 7. Inspection of papers

To inspect the background papers or if you have a query on the report please contact:

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January\HGF\Draft\2017-18 Budget Report - HGF report.doc

## Appendix A

### Review of Charges

Charge Type and Description	Charges 2016/17	Charges 2017/18	% Increase
<b>Licences:</b>			
<b>HMO's with up to and including 9 Rooms</b>			
HMO Licences - New Applications	£548	£562	2.6%
HMO Licence - Renewals	£441	£452	2.5%
Discount on above for accredited properties under the Landlord Accreditation Scheme	(£102 / £103)	(£100)	
<b>HMO's with 10 or more rooms</b>			
HMO Licences - New Applications	£610	£625	2.5%
HMO Licence Renewals	£502	£515	2.6%
Discount on above for accredited properties under the Landlord Accreditation Scheme	(£102 / £103)	(£100)	
Assisted application	Cost	Cost	N/A
<b>Enforcement Activity</b>			
Penalty for non compliance (not belonging to one of the approved Property Redress schemes) £5,000 maximum charge	£945	£945*	0.0%
* Monthly Local Housing Allowance rate for four bed self-contained property			
Subsequent offences	N/A	£5,000	N/A
Penalty for non compliance with the Smoke and Carbon Monoxide Regulations	Monthly Local Housing Allowance Rate for the property	Monthly Local Housing Allowance Rate for the property	N/A
Charge for the service of an Improvement Notice under the Housing Act 2004	£306	£314	2.6%
Charge for the service of a Prohibition Order under the Housing Act 2004	£285	£292	2.5%
Charge for the service of an Emergency Remedial Action Notice under the Housing Act 2004	£264	£271	2.7%
Charge for the review of Suspended notices or orders served under the Housing Act 2004	£96	£98	2.1%
<b>Training and other services</b>			
Delivering training and other discretionary services for landlords and agents	Cost (including development) **	Cost (including development) **	N/A
** Including development, promotion, and associated costs			
Immigration inspections	£130	£133	2.3%

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**2017/18 Budget - All GF Housing Revenue Items**

Page 1 of 3

Reference	Item Description	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	Contact	Climate Effect & Poverty Ratings
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**Increased Income****Housing - General Fund**

113865	<b>Additional fee income for the Housing Development Agency</b>	0	(32,900)	(32,900)	(32,900)	(32,900)	Sabrina Walston	Nil
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*This increase in fee income will be generated by virtue of increased staffing capacity in the Housing Development Agency.  
(Linked to proposal B3866).*

None

**Total Increased Income in Housing - General Fund**

0	(32,900)	(32,900)	(32,900)	(32,900)
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**Total Increased Income**

0	(32,900)	(32,900)	(32,900)	(32,900)
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## 2017/18 Budget - All GF Housing Revenue Items

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Reference	Item Description	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	Contact	Climate Effect & Poverty Ratings
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## Savings

## Housing - General Fund

<b>S3867</b>	<b>Reduction in costs for Housing Options, Homelessness and Choice Based Lettings</b>	0	(12,900)	(12,900)	(12,900)	(12,900)	David Greening	Nil
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A combination of a review of operational budgets in Housing Advice and Homelessness, coupled with recognising the anticipated reduction in ongoing costs for the new choice based lettings IT system, resulting in this saving from 2017/18. None

<b>S3869</b>	<b>Reduction in the recharge from the HRA for shared amenities</b>	0	(19,300)	(19,300)	(19,300)	(19,300)	Julia Hovells	Nil
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A review of the recharge between the General Fund and the HRA for contribution towards shared amenity costs, relating to provision that benefits both the Council's tenants and the wider community, has resulted in a reduction in costs to the General Fund, and an increase in costs to the HRA. None

<b>S3870</b>	<b>Reallocate General Fund budget for Supporting People Programme</b>	0	(7,600)	(7,600)	(7,600)	(7,600)	Julia Hovells	Nil
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A residual budget, recognising the need to pass Supporting People programme activity through the General Fund is no longer required, as transactions are now accounted for in the HRA directly. None

<b>Total Savings in Housing - General Fund</b>	<b>0</b>	<b>(39,800)</b>	<b>(39,800)</b>	<b>(39,800)</b>	<b>(39,800)</b>	<b>(39,800)</b>		
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<b>Total Savings</b>	<b>0</b>	<b>(39,800)</b>	<b>(39,800)</b>	<b>(39,800)</b>	<b>(39,800)</b>	<b>(39,800)</b>		
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## 2017/18 Budget - All GF Housing Revenue Items

Page 3 of 3

Reference	Item Description	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	Contact	Climate Effect & Poverty Ratings
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## Bids

## Housing - General Fund

<b>B3864</b>	<b>Reallocation of Anti-Social Behaviour (ASB) costs from the Housing Revenue Account to the General Fund</b>	0	59,800	0	0	0	Lynda Kilkelly	Nil
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This results from the Housing Revenue Account (HRA) review of how the workload of the Anti-Social Behaviour Mediu (ASB) team is distributed between HRA and non-HRA workload and identified that a significant amount of ASB m work does not relate to housing cases. Much of this work relates to areas of the city other than housing estates. A review of workload shows that this work must be funded by the General Fund rather than the HRA if it is to continue. This is a one-year only bid initially to allow a full review of the ASB service, to identify future work levels and priorities for the Council.

<b>B3866</b>	<b>Recruitment of a Trainee Development Officer in the Housing Development Agency (HAD)</b>	0	32,900	32,900	32,900	32,900	Sabrina Walston	Nil
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This bid is to continue to grow the capacity of the Housing Development Agency to meet its objectives of delivery of 250 homes a year. The bid can be contained within the Housing Development Agency business case. (linked to proposal I13865).

<b>B3871</b>	<b>Continuation of Town Hall Lettings Service</b>	0	24,100	24,100	24,100	24,100	David Greening	Nil
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Following consideration of a report and business case at Housing Scrutiny Committee in September 2016, this bid will allow the Town Hall Lettings Service as supported by the committee to continue. Town Hall Lettings supports the Council's wider homelessness strategy and, in alleviating homelessness, places the Council in a good position to meet the requirements of the Homelessness Reduction Bill, which is expected to complete its passage through Parliament next year. It plays a role in delivering more affordable housing in the intermediate market in Cambridge and supports the Council's efforts to occupy empty homes in the city.

<b>Total Bids in Housing - General Fund</b>	<b>0</b>	<b>116,800</b>	<b>57,000</b>	<b>57,000</b>	<b>57,000</b>			
<b>Total Bids</b>	<b>0</b>	<b>116,800</b>	<b>57,000</b>	<b>57,000</b>	<b>57,000</b>			
<b>Report Total</b>	<b>0</b>	<b>44,100</b>	<b>(15,700)</b>	<b>(15,700)</b>	<b>(15,700)</b>			

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To: Executive Councillor for Housing:  
Councillor Kevin Price

Report by: Head of Estates and Facilities : Trevor Burdon

Relevant scrutiny Housing Scrutiny Committee 18/01/2017  
committee:

Wards affected: Abbey Arbury Castle Cherry Hinton Coleridge East  
Chesterton King's Hedges Market Newnham  
Petersfield Queen Edith's Romsey Trumpington  
West Chesterton

## **Cambridgeshire Home Improvement Agency Fees**

### **Key Decision**

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#### **1. Executive summary**

Approval is requested for an increase in the level of fees charged by Cambs Home Improvement Agency (CHIA) from 12% to 15%. The additional fee income is required to replace annual revenue support which is being progressively reduced by Cambridgeshire County Council (CCC) and Clinical Commissioning Group (CCG) with effect from April 2017 as part of wider plans for the funding and delivery of Disabled Facilities Grants across all Cambridgeshire Councils.

#### **2. Recommendations**

The Executive Councillor is recommended to approve an increase in the level of fees charged by Cambs Home Improvement Agency (CHIA), from 12% to 15%, for managing Disabled Facilities Grant (DFG) and Repairs Assistance (RA) funded adaptations and repairs work with effect from 1 April 2017.

#### **3. Background**

- 3.1. CHIA was established in 2012 and delivers adaptations work, as a shared service on behalf of the City Council, Huntingdonshire District Council and South Cambridgeshire District Council. The lead authority is Cambridge City Council.

- 3.2. The CHIA is expected to be self-financing in that the entire annual running costs of approximately £545,000 are met from a combination of direct revenue support provided by the County Council (CCC) and Clinical Commissioning Group (CCG) and consultancy fee income generated as a percentage charged for every individual DFG or RA project delivered. Approximately 53% of Cambs HIA annual operational income is currently from fees.
- 3.3. DFG's are funded from a financial allocation (called the DFG Capital Allocation) which District Councils receive to assist with the provision of adaptations in line with responsibilities under the Regulatory Reform (Housing Assistance) Order 2002. This allocation is delivered via the Better Care Fund (BCF), under which money passes from the Department of Health in Central Government, through County Councils, to District Councils.
- 3.4. The importance of housing adaptations in supporting people to live more independently in their own homes and communities has increasingly been recognised nationally and for 2016/17, there has been a significant uplift in funding (distributed across all 5 District Councils via the BCF) for DFG's from £1.9 million in 2015/16 to £3.4 million. Further increases in DFG funding are expected year on year until 2020 although these have yet to be finally confirmed.
- 3.5. As a result of the increased DFG funding available in 2016/17, the Cambridgeshire Executive Partnership Board (CEPB - multi-agency partnership overseeing health and social care service transformation for older people and vulnerable adults) commissioned a review aimed at taking a wider and more strategic approach to delivery of housing adaptations encompassing both capital (DFG) and revenue funds available from all sources.
- 3.6. The first phase of this review was completed in September 2016 and as a consequence, both CCC and the CCG have given notice to the Cambridgeshire District Councils of reduced revenue support for the HIA's with effect from 1 April 2017. The withdrawn funds will be diverted into more pro-active early intervention work and support for vulnerable residents but the effect of the revenue withdrawal is significant for the CHIA.
- 3.7. The effect has been mitigated to some extent by negotiation with CCC but overall the CHIA will still see a 25% reduction in CCC revenue and a 60% reduction in CCG funding leaving a projected operating shortfall of approximately £75,000 for 2017/18. The expectation is that this loss of income can be recovered from additional fee income derived from the larger DFG budget allocations

available (more individual grant projects) for 2017/18 and beyond but this will only be achievable if matched to an overall increase in the level of fees charged, from 12% currently, to 15%. It would be impractical, in the short term at least, for the existing team to deliver sufficient additional DFG work at the current 12% fee level to replace the revenue shortfall so without the fee increase, the Agency would have insufficient funding to cover all of its costs. The only alternative to an increased fee level would be a reduction in operational costs but as this would require a reduction in staff resource it would be substantially more difficult for the CHIA output to increase as required to meet the challenge of greater DFG funding going forward.

- 3.8. The proposed fee level of 15% is consistent with the established, and very successful, HIA operating at Peterborough City Council. It is also consistent with the level of fees now being proposed by East Cambridgeshire DC (ECDC) for their own HIA and is supported as a reasonable charge by Foundations, who are the national co-ordinating organisation for over 200 HIA's.
- 3.9. CCC and CCG have both confirmed that revenue support for all of the County's HIA's will cease altogether with effect from 1 April 2018 so the CHIA is committed to significant change during 2017 in order to remain viable entirely from the fee income generated. A fee basis of 15% would be required for this to be possible and is consistent with charges levied elsewhere by other HIA's.

## **4. Implications**

### **4.1 Financial Implications**

The financial implications of the proposed fee increase are described above in section 3.7.

In summary, without the a 15% fee it is unlikely that the CHIA would be able to generate sufficient income in the short term (12 months) at least in order to recover the income lost following changes to CCC and CCG revenue funding support in 2017/18.

The alternative to an increase in fee levels from 12% to 15% would be a reduction in CHIA operating costs which would mean a reduction capacity and consequent reduction in service outputs at a time when expectations are for greater activity from the increasing DFG funding available.

### **4.2 Staffing Implications**

None, if the fee increase is approved.

#### **4.3 Equality and Poverty Implications**

Potential increased DFG output from the CHIA team driven by progressive changes to processes and improved efficiencies which will be required to remain sustainable entirely from fee income when all CCC and CCG revenue support is withdrawn in 2018.

#### **4.4 Environmental Implications**

The proposal has no climate change impact.

#### **4.5 Procurement**

Not applicable

#### **4.6 Consultation and communication**

4.6.1 There has been extensive consultation with the County Council, the Clinical Commissioning Group and all associated Health Professionals and organisations as part of the extensive County wide review of homecare and adaptations provisions carried out during 2016. All three Partner authorities to the CHIA have been fully represented throughout the review.

#### **4.7 Community Safety**

There are no community safety implications

### **5. Background papers**

None

### **6. Appendices**

None

### **7. Inspection of papers**

If you have a query on the report please contact:

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