

Cabinet

Tuesday 29 January 2013

4.00 pm

Ground Floor Meeting Room GO1A, 160 Tooley Street, London
SE1 2QH

Supplemental Agenda No. 2

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Date: 29 January 2013

ITEM 9 – HOUSING REVENUE ACCOUNT – FINAL RENT SETTING AND BUDGET REPORT 2013/14 – FEEDBACK FROM CONSULTATION MEETINGS INCLUDING TENANTS COUNCIL

Housing Revenue Account Final Rent-Setting Report 2013/14

The sections below all relate to consultation meetings between 7 and 28 January 2013, up to and including last night's meeting of Tenant Council. For the most part, the meetings have taken place since the dispatch date for cabinet meeting, and so the papers below are circulated on a 'round the table' basis.

- Section 1 Recommendations of Tenant Council of 28 January 2013
- Section 2 Summary of Area Housing Forum Decisions
- Section 3 Individual Area Forum Feedback
- Section 4 Comments of Home Owner Council of 16 January 2013
- Section 5 Comments of TMO Liaison Committee of 23 January 2013
- Section 6 Response of the Strategic Director of Finance and Corporate Services

N.B. paragraph and appendix references below are to the Indicative Budget report considered by Cabinet on 11 December 2012 rather than the Final report of 29 January 2013.

Section 1 – Recommendations of Tenant Council 28 January 2013

		For	Against	Abstain/ Not voting
1.	Rent increase of 4.85%	0	10 (disagreed)	7
3.	No increase in tenant service charges	15 (agreed)	0	2
4.	No increase in garage rents/charges	15 (agreed)	0	2
5.	No increase in district heating charges	16 (agreed)	0	1

Members of Tenant Council raised concerns around the property values used in calculating social housing rents, and officers undertook to expand the average rent by bed-size table provided to encompass the minimum and maximum rents charged, in order to demonstrate the breadth of rents within the borough's stock.

Tenant Council also wished to make clear as a consultation outcome, that they actively opposed any rent rise.

Regarding the 'proposals for redirection of expenditure' listing, Tenant Council asked that they be consulted on these prior to implementation. The Strategic Director of Housing and Community Services noted that the list formed a mix of schemes, some of which were already in operation and were therefore seeking 'top-up' funding, and newer ones which were more location-specific in nature. She agreed to consult on the latter areas, which were later listed in the meeting as door entry, external decorations, and the location for estate action days. She also responded to questions around the likely yardsticks to be employed in prioritising bids for redirection money.

Section 2 – Summary of Area Housing Forum Decisions

Forum	Date	Rent increase +4.85%	No change in tenant service charge no increase	No change in the garage charges no increase	No change to district heating charges no increase	Suggested augmentation Areas £6m
Aylesbury	did not meet	–	–	–	–	–
Bermondsey East	23 Jan 13	*	–	–	–	–
Bermondsey West	15 Jan 13	–	–	–	–	A
Borough and Bankside	did not meet	–	–	–	–	–
Camberwell East	21 Jan 13	–	A	–	–	–
Camberwell West	23 Jan 13	N	A	N	N	✓
Dulwich	17 Jan 13	N	N	A	N	A
Nunhead and Peckham Rye	17 Jan 13	N	N	N	N	N
Peckham	did not meet	–	–	–	–	–
Rotherhithe	22 Jan 13	*	–	–	–	A
Walworth East	17 Jan 13	✓	N	–	–	A
Walworth West	24 Jan 13	*	–	–	–	–
Summary:						
• ✓ Agreed		1	0	0	0	1
• * Disagreed outright		3	0	0	0	0
• A Alternative suggested		0	2	1	0	4
• N Noted		3	3	2	3	1
• – No response made		5	7	9	9	6
Total		12	12	12	12	12

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Section 3 – Area Housing Forum Comments and Recommendations 2013/14

Aylesbury	did not meet
The HRA item will have to be discussed with urgency at the next meeting due to the item not being received.	

Bermondsey East	23 January 2013
It is the delegate view that the rent increase is a wrong decision especially with the current change regarding Universal Credit. The delegate disagrees with the proposed rent increase.	
Delegate voted and accepted proposed recommendation from forum excluding leaseholders	

Bermondsey West	15 January 2013
An improved annual property check to assess for decent home standards. Check should include issues such as damp.	
More investment into the investigation of illegal sub-letting.	

Borough and Bankside	did not meet
This meeting was postponed until Wednesday 30 January 2013	

Camberwell East	
Steve Hedger (Chair) stated that there should be a reduction in grounds maintenance charges as the service received is poor on East Dulwich Estate.	

Camberwell West	23 January 2013
The Forum noted the proposed 4.85% rent increase due to the Government's recommendations and strongly urged the Council to have meaningful consultations with tenants to make considerable long term savings, e.g. the call centre.	
The Forum agreed with the Service Areas proposed to spend the £6m.	

Dulwich	17 January 2013
<p>In relation to the £6 million savings:</p> <ul style="list-style-type: none"> o Further detail required on where this has come from and any corresponding performance information e.g. estate cleansing levels are of concerns, as are the repairs contractors? They would like this answer as soon as possible. They do not want any further reductions in services. o Can we explore reinvesting in the housing offices that were lost and reopen offices and facilities? <p>Average rent increase – they would like further information on this e.g. 1 bed flat, 2 bed flat, 3 bed flat, 2 bed house etc. They would like this as soon as possible.</p> <p>Why the big difference in clawback/annual affordability levels between this year and last year – as per the table at point 33? They would like this answer as soon as possible.</p> <p>They think we need to consider welfare reform more – rent increases could add an even bigger pressure.</p> <p>Will the no service charge increases be reflected for leaseholders and could the report contain more detail on this?</p> <p>If there is a surplus in accounts for garages can we not have a decrease in charges – they feel they are expensive.</p> <p>For those not on the district heating system can we find a way to support them better?</p> <p>Can they have more detail on the break down of services charges for leaseholders vs tenants as outlined in Appendix B. They would like this answer as soon as possible.</p> <p>They would like more information on asset rents and the reorganisation of debt - in relation to the impact on the capital programme of getting the Heygate, Aylesbury etc., up and running. They would like further information on this as soon as possible showing projections into the future/details on the 30-year model.</p> <p>There was suggestion of a training course for tenants on the HRA – what's happened to this?</p> <p>They think there should be more time for people to input in this process. In the past there was a special HRA meeting where they were presented to by finance officers and it was made easy for all to understand – they would like something like this again. They wanted a finance officer to present this report.</p>	

Nunhead & Peckham Rye	17 January 2013
<p>This forum notes the report and thanks the council for the glossary which was circulated and which we found helpful. The forum is extremely concerned about the impact to the HRA as a result of the changes to universal credits and the reduction in Council Tax benefits.</p> <p>We note the suggestion set out in paragraph 17 (page 32) of the report and would expect to have further consultation in how this spend will be effected.</p> <p>Proposed : Ian Ritchie Seconded : Ina Norton</p>	

Peckham	21 January 2013 (Original Date)
Due to adverse weather conditions (snow) the meeting was postponed.	

Rotherhithe	22 January 2013
<p>It is the delegates view that the rent increase is unfair. The meeting disagrees with the proposed rent increase.</p> <p>The delegates propose that the £6m savings should be used as a buffer to offset the proposal for rent increase.</p> <p>Delegates voted and accepted proposed recommendation from forum excluding leaseholders</p>	

Walworth East	17 January 2013
<p>Forum wanted it noted that there is a distinct inequality between the service charged between leaseholders and tenants. This is not fair.</p> <p>Rent increase seems reasonable.</p> <p>Will any of the reinvestment of the £6m results in additional charges to leaseholders.</p> <p>Re-investment should be put into upgrades for designated play parks for children and in the resurfacing pavements and roads.</p>	

Walworth West	24 January 2013
<p>The forum noted that the council was requesting a rent increase. However the forum did not believe that the services have improved to justify a rent increase. The forum concluded that they would not agree a rent increase as the services have not improved.</p>	

Section 4 Comments of Home Owner Council of 16 January 2013

Officers set out the key themes of the 2013/14 budget – noting those aspects not directly relevant to Home Owners Council such as the rent increase, and highlighting imminent concerns and risks for the council such as welfare reforms. In addition the final tranche of budget savings for the three-year programme (totalling £21.6m over the full period) is taken out of the HRA. Finally, the council will be reprioritising £6m of expenditure generated as part of its statutory responsibility to set a balanced budget.

Delegates raised questions regarding the council's proposal not to increase heating and hot water charges from April 2013 – officers noted that both the basis and scope of charges differed between leaseholders and tenants. The additional cost of fire risk assessments works was also mentioned, as was the basis of door entry charging.

Finally, the chair asked about the heating account surplus generated. Officers noted that this was to both mitigate future charges since tenants paid on an estimated basis, and to fund energy efficiency measures that would benefit all users – tenants and leaseholders.

The report was noted by Home Owners Council.

Section 5 Comments of TMO Liaison Committee of 23 January 2013

The committee did not wish to adopt a formal position on the recommendations of the Indicative Budget report, but did ask that it be noted that whilst welcoming the availability of monies for redirection into services, that the council take care to give proper consideration to the areas where this should be applied in order to ensure its effective use, including programming over more than one financial year.

As part of the consultation process, committee members also raised issues around leaseholder service charge levels, further mitigation of the rent increase, and the likely effect of government welfare reforms.

Section 6 Response of the Strategic Director of Finance and Corporate Services

RENT INCREASE

Average rent increase – they would like further information on this e.g. 1 bed flat, 2 bed flat, 3 bed flat, 2 bed house etc. (Dulwich)

The average rent across the whole stock for 2013/14 is £96.40. For differing bed-sizes, this is as set out below for 2013/14:

0 bedrooms	£77.22
1 bedroom	£87.70
2 bedrooms	£96.72
3 bedrooms	£105.68
4 bedrooms	£114.22
5 bedrooms	£124.84
6 bedrooms	£137.29
7 bedrooms	£141.79
8 bedrooms	£154.39
9 bedrooms	£160.23
10 bedrooms	£167.64

Why the big difference in clawback/annual affordability levels between this year and last year – as per the table at point 33? (Dulwich)

Since the move to formula rents under the rent restructuring policy began in 2002/03, the transitional figures were derived by dividing the difference between the actual and formula rent by the number of years left until the desired convergence date. Hence under the original proposals, one tenth of the difference was taken in year 1, one ninth in year 2 and so on until the entire remaining difference was to be taken in the year of convergence.

Central government has amended these original proposals many times over the intervening eleven years (as Appendix C to the report sets out), but as they currently stand it means that one quarter of the difference is taken in 2012/13, one third in 2013/14, a half in 2014/15 with the entire remaining difference being due in 2015/16. However, the affordability limit places a restriction on the operation of this process by capping the amount of increase and hence extending the timescale for convergence. The greater the yearly movement toward formula, then the greater the extent of those limits being applied. Appendix D also refers.

It is the delegate view that the rent increase is a wrong decision especially with the current change regarding Universal Credit. The delegate disagrees with the proposed rent increase. (Bermondsey East)

It is the delegates view that the rent increase is unfair. The meeting disagrees with the proposed rent increase. The delegates propose that the £6m savings should be used as a buffer to offset the proposal for rent increase. (Rotherhithe)

The forum noted that the council was requesting a rent increase. However the forum did not believe that the services have improved to justify a rent increase. The forum concluded that they would not agree a rent increase as the services have not improved. (Walworth West)

The Final HRA Self-Financing Determination from central government assumed that councils would continue to increase rents in order to achieve rent convergence in 2015/16. If Southwark decided to increase rents at a lower rate, then there would be a net loss of income to the HRA compared to what has been assumed in this valuation. Each 1% less than the recommended increase equates to an estimated net loss of around £1m; this income would be removed from the HRA's base budget, and, unless costs were reduced by an equivalent amount, this would lead to a budget pressure within the HRA, and a possible inability to fund the anticipated capital programme over the next thirty years.

TENANT SERVICE CHARGES

Steve Hedger (Chair) stated that there should be a reduction in grounds maintenance charges as the service received is poor on East Dulwich Estate. (Camberwell East)

Each of the four tenant service charges currently levied are fixed across the borough as a whole and are set to cover relevant costs only. It is therefore not possible to vary an individual charge between estates. Where specific service delivery issues arise, the service department remains responsible for ensuring performance meets acceptable standards.

Will the no service charge increases be reflected for leaseholders and could the report contain more detail on this? (Dulwich)

Forum wanted it noted that there is a distinct inequality between the service charged between leaseholders and tenants. This is not fair. Will any of the reinvestment of the £6m result in additional charges to leaseholders? (Walworth East)

Tenants pay a fixed service charge for specific services based on budgeted sums as derived under the rent restructuring policy which were implemented in Southwark in 2003/04. The basis of the charge for home owners is different in that their service charges are variable dependent on actual costs incurred and the liability of the individual home owner as expressed in their property lease. A key principle underpinning the HRA is that of full cost recovery and it should be noted that home owner contributions only cover the actual cost of services directly consumed by them and make no contribution to the wider cost of housing provision within the borough. The HRA Budget report sets out expenditure and income budgets not actual spend, but the level of home owner service charge income is assumed to be the same year on year which implies that the cost base for homeowners also remains consistent year on year. The caveat being that charges may vary either up or down in accordance with increased or reduced activity or the value of works undertaken.

Can they have more detail on the break down of services charges for leaseholders vs tenants as outlined in Appendix B. (Dulwich)

These are not calculated on the same basis and a direct comparison cannot be made. Individual leaseholders receive an annual statement from the council setting out their estimated liability for various service charges, which are calculated on a full cost recovery basis. Tenant's charges cover the budgeted cost for particular services which remain fixed over the course of the financial year. These are reviewed at regular intervals to cover inflationary uplifts and contract variations and charges are then re-based to ensure the income raised is equivalent to the budgeted cost. It should be noted that tenants only pay for those services for which they are recipients.

GARAGE CHARGES

If there is a surplus in accounts for garages can we not have a decrease in charges – they feel they are expensive. (Dulwich)

Income and expenditure associated with garages is not specifically ring-fenced within the HRA but subsumed within the account and contributes to service provision generally. It would not be in the wider financial interest of the HRA or council residents to do so as any reduction in income would need to be made good by either raising additional income elsewhere or making further budget savings to compensate. The charges are set in accordance with the council's Medium Term Resources Strategy (MTRS), which seeks to set discretionary fees and charges at a level consistent with the most appropriate London-wide average. The Garage Working Party considers the options and strategy for garages and how to maximise the financial benefit to the HRA that can be derived from the garage portfolio. The council's current policy is to invest in refurbishing the existing stock of garages in order to bring more back into use and hence increase income. The proposal is to freeze charges for 2013/14.

DISTRICT HEATING CHARGES

For those not on the district heating system can we find a way to support them better? (Dulwich)

Residents who have individual heating systems and consume their gas and electricity directly from an external provider unfortunately cannot be part of the ring-fenced heating account and benefit from the financial economies derived from the consortium arrangements to which the council belongs. The council has no control over external energy market pricing but funds an individual heating replacement programme to replace inefficient boilers with more fuel-efficient models helping to deliver savings for residents through lower consumption and assist in tackling fuel poverty. In addition, the council takes particular care to promote energy sustainability with new-builds and conversions, and in large-scale refurbishments. Building Research Establishment (BRE) standards demand that communal heating systems be considered as a sustainable means of provision and schemes part-funded by the Homes and Communities Agency (now GLA-run) will generally stipulate this as a requirement of funding.

2013/14 SAVINGS

The Forum noted the proposed 4.85% rent increase due to the Government's recommendations and strongly urged the Council to have meaningful consultations with tenants to make considerable long-term savings, e.g. the call centre. (Camberwell West)

Whilst the bulk of savings associated with changes to the call centre contract would fall to the council's general fund (this expenditure being outside the HRA ring-fence), there is an element that is recharged across to be borne as part of Southwark's landlord function and the council anticipates that this recharge will fall in line with overall savings being realised in this regard. The council consulted with the HRA savings panel (comprising both tenant and leaseholder representatives) on a regular and in-depth basis throughout the last financial year, and intends to continue doing so.

In relation to the £6m savings:

- **Further detail required on where this has come from and any corresponding performance information e.g. estate cleansing levels are of concerns, as are the repairs contractors? They do not want any further reductions in services.**
- **Can we explore reinvesting in the housing offices that were lost and reopen offices and facilities? (Dulwich)**

There is a statutory requirement to set a balanced HRA budget and the extent and nature of the savings proposals are detailed in the final report that Cabinet will consider on 29 January 2013. The savings are largely efficiency driven and reductions in central support budgets that can be prudently reduced without affecting front-line provision. 2013/14 represents the final year of a three-year (2011/12 – 2013/14) corporate savings programme for both HRA and General Fund that was subject to widespread consultation during 2011/12 budget-setting. As a consequence, indicative savings for next year were identified at an early stage and either remain available for implementation as proposed or have been substituted where necessary, e.g. repairs contract savings have been replaced in order to preserve service delivery.

By anticipating the budget pressure created by the introduction of self-financing, it has been possible through the delivery of savings to mitigate the worst effects such that the HRA budget for 2013/14 is broadly neutral taking into account inflation and commitments off-set by the guideline rent increase. This has provided the opportunity to redirect resources into key service priorities and address areas of service provision that are important to residents. These schedules are attached for reference (see end of section 6).

WELFARE REFORMS

They think we need to consider welfare reform more – rent increases could add an even bigger pressure. (Dulwich)

This forum notes the report and thanks the council for the glossary which was circulated and which we found helpful. The forum is extremely concerned about the impact to the HRA as a result of the changes to universal credits and the reduction in Council Tax benefits. (Nunhead)

Whilst the council has no direct control over the introduction of changes to housing benefit or the wider welfare reforms, it is acutely aware of the potential impact this will have on residents. It is recognised that increases in rents may present particular difficulties for people on low incomes and depending on individual circumstances may potentially exacerbate the situation for those likely to be impacted by the proposals; but measures to mitigate the effects are currently being developed and additional resources are being made available for this purpose. There is also the knock-on effect on the council's income stream and additional provision is also being made to mitigate the potential income loss. Appendix B and paragraphs 19 – 23 of the report refer.

EXPENDITURE REDISTRIBUTION AND OTHER MATTERS

They would like more information on asset rents and the reorganisation of debt – in relation to the impact on the capital programme of getting the Heygate, Aylesbury etc., up and running. They would like further information on this as soon as possible showing projections into the future/details on the 30-year model. (Dulwich)

There is currently no impact on the HRA debt level arising from either Heygate or Aylesbury. So far all expenditure has been met from government funding and the council's own resources and capital receipts generated through asset disposals which are specifically ring-fenced for housing purposes. As it stands, there is currently no imperative for external borrowing to fund these or other programmes in the short-term, but this will be informed by the consultation on the Housing Commission report, from which will flow the strategic direction for social housing provision in Southwark for the next thirty years and be reflected in the council's HRA Business Plan which will be considered by Cabinet during 2013.

The re-organisation of debt and changes to accounting requirements for the calculation of depreciation of public assets is a highly technical area, and the council follows best practice as set out by the Chartered Institute of Public Finance and Accountancy (CIPFA). In accordance with this professional advice, local authorities have up to five years to complete the transition from depreciation charges based entirely on the former Major Repairs Allowance (calculated by government) to a system of componentised charges linked to their own asset profiles and the council is currently working towards having this in place for 2013/14. Across the piece, the council also adheres to the Code of Practice on Local Authority Accounting in the United Kingdom, against which its accounts are subject to public audit every year.

There was suggestion of a training course for tenants on the HRA – what’s happened to this? (Dulwich)

Resident Involvement is currently working on a training programme which will incorporate HRA finance. Previously, external finance training has been provided for Tenant Council and Home Owner Council delegates, which was generally well received; the last occasions being December 2008 and 2009. However, with the abolition of housing subsidy and the move to HRA Self-financing, it is appropriate to re-visit these issues during the course of 2013. The council also supports the continued operation of the HRA Savings Panel and Garage Working Party, amongst others, whereby nominated representatives can explore specific issues in greater depth than that afforded by an annual budget presentation.

They think there should be more time for people to input in this process. In the past there was a special HRA meeting where they were presented to by finance officers and it was made easy for all to understand – they would like something like this again. They wanted a finance officer to present this report. (Dulwich)

The annual rent-setting and HRA budget process largely runs in tandem with that of the General Fund, but the timeline is constrained by virtue of the need to serve statutory rent variation notices 28 days in advance of the new rent year. The report went to Cabinet on 11 December and was referred to area housing forums for consultation during January. This is consistent with previous years, but not without its challenges in terms of being able to lock down all the variables and options inherent in HRA budget-setting.

The report was also presented by senior finance leads at Tenant Council on 7 January where forum delegates had the opportunity to raise concerns and ask specific/technical questions. Mindful of the resources available, lead officers attending forums were specifically briefed and additional information provided in the form of a FAQ's/Glossary, but no matter how thorough and well-organised this is, it cannot necessarily capture every eventuality. Where queries are raised that cannot be addressed at the meeting, written responses are provided to assist. The Strategic Director of Finance and Corporate Services has undertaken to review the consultation framework for HRA rent and budget-setting in conjunction with the Strategic Director of Housing and Community Services to see where improvements can be made going forward.

PROPOSALS FOR REDIRECTION OF EXPENDITURE

Service Area	Fairer Future reference*	Indicative Allocation £'000
Look and Feel of the Environment:		
Door entry/security measures	2, 4	726
Sheltered refurbishment (FRA works)	6	900
External decorations/planned maintenance	4	1,000
Communal areas refurbishment/repairs service	4	480
Environmental estate improvements (Estate Action Days)	4	307
		3,413
Tackling Fraud and Abuse:		
Illegal occupation (sub-letting)	1, 2	250
		250
Invest to Save:		
Garage refurbishment	1	500
Underoccupation	1	400
Void re-let standards	1, 4	750
Repairs quality enhancement (Annual Property Check)	1, 4	750
		2,400
TOTAL		6,063

* *Links for each item to the policy statement 'A Fairer Future for All' (see Background Documents).*

Door entry/security measures

Door entry systems contribute to the safety, security and well-being of residents. There is a need for additional investment for the updating and renewal of existing systems, together with increasing demand for the installation of new systems to combat crime and anti-social behaviour on estates and a programme of priority schemes is being developed.

Sheltered refurbishment (FRA works)

Priority FRA works to sheltered units as part of a wider programme of refurbishment and modernisation over the short to medium-term.

External decorations/planned maintenance

Mini-programme of external decorations/planned maintenance works to be added to specific schemes already included in the existing 2013/14 Warm Dry Safe programme. The longer-term aim is to use this initial programme to establish a regular decorations programme that is undertaken as part of the ongoing major works investment programme.

Communal areas refurbishment/repairs service

The management of communal repairs is currently divided between a range of officers who undertake estate inspections. The approach is therefore fragmented and at times inconsistent. This proposal involves the introduction of Communal Repairs Compliance officers (CRCO) who will lead on everything related to communal repairs: estate inspections, s.20 consultation, contract management, pre and post-inspections, ordering, training and resident and member interaction. A full-time team of eighteen staff is proposed, six of which would be funded from existing resources and twelve from growth.

Environmental estate improvements (Estate Action Days)

Estate action days are very popular as they involve the intensive approach to dealing with communal repairs and housing management issues (via the mobile bus) in a single day. The frequency of estate action days has been doubled so each contractor delivers at least one planned estate action day each month. It is proposed that an enhanced level of repairs is completed including works to paving, lighting, painting and general communal repairs, including boundary fencing. Twenty-four EADs are currently proposed for 2013, which will continue to be met from existing resources.

Illegal occupation (sub-letting)

Over the last year the council has been successful in recovering a number of properties which were either sub-let or obtained fraudulently and for the prosecution of perpetrators. The council is committed to combating tenancy fraud and concerted action in this area remains a priority.

Garage refurbishment

The garage portfolio has for some time been neglected and under-utilised with a high volume of unlettable voids. However, managed properly it can be a valuable income generating asset for the HRA and over the last year, investment in the garage stock has delivered nearly 400 units back into use and is expected to exceed 500 by year-end. This represents an 'invest to save' opportunity as there remains significant scope to maximise the income potential even further through greater investment.

Underoccupation

The impact of changes in relation to social housing tenants who are underoccupying means they will lose a proportion of their housing benefit from April 2013, which is likely to have a knock-on effect on rent collection performance. To mitigate this impact for both tenants and the HRA, the existing scheme is being reviewed and proposals developed to increase the financial incentives to encourage tenants to downsize.

Voids re-let standards

Changes to the lettable standard are currently being developed to increase the desirability of the properties and reduce the level of refusals and subsequent complaints, which are both costly and time consuming. The introduction of a higher lettable standard should help to mitigate this without adversely impacting on turnaround times which are a critical measure of performance.

Repairs quality enhancement (Annual Property Check)

The annual property check involves combining the tenancy check, gas servicing visit (where it applies) and a property inspection into a single annual visit. The principle is to take a proactive, early intervention approach to identifying repairs early and tenancy compliance. The arrangement is already being piloted in the north of the borough for servicing and tenancy checks. A review of this pilot will be undertaken at the end of January 2013. Delivery is likely to be by RSOs and therefore costs for staffing will be within existing resources. The costs associated with early identification are not known and in many instances repairs may never be reported to the council until deterioration to the disrepair stage or when the property becomes void. Over time this is likely to lead to a reduction in disrepair claims/ costs and the prevention of more serious repairing needs down the line.

SERVICE AREA	DESCRIPTION OF SAVINGS	2013/14 £'000
<u>Customer Experience</u>	Legal support	(9)
	Homesearch magazine move to digital only publication	(10)
	Housing options management restructure	(23)
	Total Customer Experience	(42)
<u>HRA Support Costs</u>	Former Community Housing Services management costs	(138)
	Thames Water billing/commission	(102)
	Corporate support costs and service level agreements	(400)
	Inflation reserve	(2,553)
	Residual prior-year savings	(1,063)
	Total HRA Support Costs	(4,256)
<u>Specialist Housing Services</u>	Office saving – 376 Walworth Road	(55)
	Enforcement service level agreement	(48)
	Commercial properties and property services	(78)
	Tenant management organisations	(342)
	Temporary accommodation	(187)
	SE London Partnership funding transfer	(21)
	Total Specialist Housing Services	(731)
<u>Chief Executive's</u>	Investment Strategy restructure	(78)
	Total Chief Executive's	(78)
<u>Maintenance and Compliance</u>	Repairs and maintenance budgets	(52)
	Total Maintenance and Compliance	(52)
<u>Operations</u>	Training expenses	(10)
	Running costs	(632)
	Temporary accommodation income	(50)
	Telecoms aeriels additional income	(150)
	Total Operations	(842)
<u>Major Works</u>	Running costs and non-capitalised salaries	(31)
	Total Major Works	(31)
	TOTAL HRA EFFICIENCY SAVINGS	(6,032)

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Claire Hickson	1		
Richard Livingstone	1	Officers	
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Other Councillors		Trade Unions	
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Andy Simmons	1		
Tim McNally	1		
Anood Al-Samerai	1		
Group Offices		Total:	66
Alex Doel, Cabinet Office	1	Dated: 5 December 2012 (pt)	
Laura Kavanagh, Opposition Group Office	1		
Press			
Southwark News	1		
South London Press	1		
Members of Parliament			
Harriet Harman, MP	1		
Tessa Jowell, MP	1		
Simon Hughes, MP	1		