

Overview & Scrutiny Committee

Monday 2 December 2013

7.00 pm

Ground Floor Meeting Room G02A - 160 Tooley Street, London SE1
2QH

Supplemental Agenda

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Item No. 6	Classification Open	Date: 10 December 2013	MEETING NAME Cabinet
Report title:		Housing Revenue Account – Indicative Rent Setting and Budget Report 2014/15	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Ian Wingfield, Deputy Leader and Cabinet Member for Housing Management	

FOREWORD – COUNCILLOR IAN WINGFIELD, DEPUTY LEADER AND CABINET MEMBER FOR HOUSING MANAGEMENT

We have established our housing revenue account on a sound financial footing since the introduction of self-financing and this remains the cornerstone of our approach for the future.

However, in times of economic uncertainty, it is the particular responsibility of the local authority to help its residents wherever possible. Following government proposals on rent levels implies another above inflation increase in 2014/15 in order to fund the provision of landlord services.

Whilst it is critical to plan for the future, the needs of the present cannot be ignored, and so the council will be exploring options to ease the financial burden on tenants and target support to those who are vulnerable and in most need of help. This should not be at the expense of our commitment to regenerate our housing stock, nor our plans to build 11,000 new homes, which remain of paramount importance.

RECOMMENDATIONS

1. With regard to rents; cabinet notes that a rent increase implied by the government's rent guidance would be 5.4% (as set out in paragraphs 14 –18), to be applied to all HRA dwellings (including estate voids and hostels), with effect from 7 April 2014, and that the average dwelling rent in 2014/15 under such an increase would be £101.61 per week (an increase of £5.21 per week on average).
2. Cabinet instructs officers to explore options regarding the rent increase for 2014/15, setting out its effects on the HRA for that year, and also their medium and longer-term implications.
3. With regard to other HRA-wide charges, cabinet notes on a provisional basis no increase to tenant fixed service charges as set out in paragraph 39 with effect from 7 April 2014.
4. Cabinet notes on a provisional basis no increase to the standard charge for garages or other non-residential charges, as set out in paragraphs 40 – 41 with effect from 7 April 2014.

5. Cabinet notes on a provisional basis no increase to district heating and hot water charges as set out in paragraph 42 – 43 with effect from 7 April 2014.
6. Cabinet notes on a provisional basis no increase to sheltered housing service charges as set out in paragraph 44 with effect from 7 April 2014.
7. Cabinet notes that water and sewerage charges levied by Thames Water are liable to an inflationary uplift as set out at paragraph 45, but as yet the council has not been informed by Thames Water of what that increase will be.
8. Cabinet instructs officers to provide a final report on Rent Setting and the HRA Budget for 2014/15 after due consultation processes have been followed for consideration at their meeting on 28 January 2014.

BACKGROUND INFORMATION

Statutory framework

9. The Housing Revenue Account (HRA) reflects the statutory requirement under Section 74 of the Local Government and Housing Act 1989 to account separately for local authority housing provision. It is a ring-fenced account, containing solely the costs arising from the provision and management of the council's housing stock, offset by tenant rents and service charges, leaseholder service charges and other income. The council has a statutory responsibility to set a balanced HRA budget (i.e. all budgeted expenditure must be matched by income).

Context

10. The Spending Reviews by the coalition government published in October 2010 and June 2013 contained significant financial issues for local government, as well as the entire public sector. The HRA, despite being ring-fenced from the general fund is not immune from the fall-out from this and in 2010 officers were instructed to identify a three-year savings package in line with that required for the rest of the council. The level of savings that this entailed presupposed certain other financial decisions which the council was minded to make on HRA finances, such as maintaining a prudent and necessary level of reserves and the degree to which capital investment may be supported from revenue.
11. Whilst under self-financing the council is nominally free to set rent levels as it wishes, in reality they are almost entirely predicated on national decisions made by government when calculating the HRA debt settlement figure under which self-financing operates. This is particularly true in the context of the 2015 Spending Review (June 2013), which contained proposals to vary the national social rents policy. The link between rents and service expenditure locally is therefore at best a nominal one, aside from rental income contributing to the overall total within which the HRA at Southwark must operate.

12. The Housing Commission report takes as its start date April 2015, which is after the financial year to which this budget report refers. However the general parameters of the early years of self-financing have been assumed to have been followed for 2014/15 and 2015/16 in order to allow a stable base from which the financial assumptions underpinning the report of the Commission then flow.

KEY ISSUES FOR CONSIDERATION

Self-Financing parameters

13. The key principle underlying the introduction of self-financing was the generation of revenue surpluses sufficient to meet the investment needs of the stock over 30 years, without further government support. However, the key assumptions made by government in arriving at the settlement figure in late March 2012 did not adequately reflect the financial reality facing Southwark for the following reasons:
 - Rents were assumed to converge to target by 2015/16, and rise consistently at September RPI + 0.5% thereafter. However, given the historically low starting point for rents in Southwark and the council's scrupulous application of annual affordability limits (to limit individual annual rent increases to RPI + 0.5% + £2) means that only 44% of properties would have converged by 2015/16, rising to the 80%+ level by 2021/22. This means that from the outset government rental projections were over-stated.
 - Government took into account projected demolitions and other stock adjustments up until 2017, but the regeneration of the Aylesbury estate is scheduled to take considerably longer than this. In essence the council is already carrying debt relating to properties that it is committed to disposing of, meaning that the business plan must take account of debt charges for these former properties with no parallel income stream to match it.
 - The settlement assumed that all housing debt would be extinguished over the life of the business plan and if all projected surpluses were applied to debt repayment at the expense of all other policy objectives, the inherited debt would be cleared in around years 17 – 20. However, since the council intends to achieve significant alternative outcomes as part of discharging its responsibilities as a landlord, clearly repayment of debt cannot necessarily be the primary policy objective, and this report contains proposals to establish a structured debt management strategy to address this issue going forward.

Formula rent calculation

14. There are three separate drivers for rent inflation under rent restructuring: the underlying inflation rate (the retail price index at September 2013 (3.2%) as specified by the government); the 0.5% top-up and the effect of phasing the move between actual and formula rents, which is influenced by the 'convergence date' determined by the government. The original intention was that rent restructuring would be complete (or rents would have 'converged') after 10 years (i.e. in 2011/12). However, government intervened on a number of occasions in order to alleviate the actual rent rises that would otherwise have resulted. The self-financing settlement was predicated on a convergence date of 2015/16, consistent with previous directions. The effect of each of these drivers is summarised below:

Average Rent Inflation	Final 2013/14	Indicative 2014/15
Inflation Uplift (RPI @ September)	2.60%	3.20%
Top-Up Element	0.50%	0.50%
= Increase in Formula Rent	3.10%	3.70%
plus national convergence element	1.67%	1.65%
= Increase in National Guideline Rent	4.77%	5.35%
plus local convergence element	1.81%	2.65%
less annual affordability limits	(1.73%)	(2.60%)
= Total Increase in Actual Rents	4.85%	5.40%

15. Rent restructuring is property-related, actual rent increases (in line with government guidance) being dependent on the formula rent for each property (based on value, size and location) and the existing actual rent at the point of commencement. This generally added around 1.5% – 2.5% to the average rent increase each year, which increased on a tapered basis as the convergence date approached. Without the discretionary application of annual affordability limits (RPI + 0.5% + £2.00), which the council has consistently applied throughout, the average increase would have been considerably higher (i.e. 8% for 2014/15). However, this would have had the corollary that the gap between actual and formula rents post-2015 would have been somewhat ameliorated.
16. Appendix A is a collated list of average and formula (or 'target') rents across London Boroughs. In 2013/14 Southwark's average rent ranked 11th lowest of the 29 London Boroughs that manage their housing stock, either directly or via an ALMO. Appendix A also indicates how far each authority had left to travel before reaching the target rent level demanded under this system. Southwark is one of seven London Boroughs where this gap is still at least 6%, meaning that the local convergence pressure would have taken some years to be fully relieved. This point is further illustrated by the chart at Appendix B.

17. It is important to note that any voluntary mitigation of the guideline rent increase would have both immediate and longer-term effects and a foregoing of rental income would require a commensurate increase in savings and/or reduction in services and/or support for the HIP to balance the account. In the longer-term, the loss could not be recouped without compensatory increases above the guideline in future years, if parity were to be subsequently restored. This represents an immediate and enduring challenge to the HRA and the council needs to carefully weigh the short-term benefit to tenants against the longer-term funding implications inherent in such a measure.
18. 2013/14 was a '53-week' rent year, which occurs every seven years. The impact of the removal of the additional week's income, together with stockloss and voids adjustments moving into 2014/15, means the rent debit reduces by £7.7 million year-on-year before application of any rent increase or consideration of cost pressures and commitments. The net additional yield to the HRA of the dwelling rent increase at the government implied level, once both the stockloss effects on tenant service charges and district heating; and also the assumed water rates increase are included is £2.6 million. These individual elements are set out in Appendix C.

	2013/14 Base	Indicative 2014/15	Indicative 2015/16	Indicative 2016/17
Average Weekly Rent	£91.94	£96.40	£101.61	£104.65
September RPI + 0.5%	3.1%	3.7%	–	–
September CPI + 1.0%	–	–	3.0%	3.0%
Estimated Uplift	£2.85	£3.57	£3.04	£3.14
	£94.79	£99.97	£104.65	£107.79
Cumulative Move to Formula Rent*	£3.20	£4.15	–	–
Caps and Limits Adjustment	(£1.59)	(£2.51)	–	–
Average Rent – Tenanted Stock	£96.40	£101.61	£104.65	£107.79
Increase	4.85%	5.4%	3.0%	3.0%

**Encompassing both the national guideline increase and local convergence*

Spending Review 2015 – ‘Rents for Social Housing’ consultation

19. The Spending Review 2015 contained proposals for central government to realise considerable savings through its social housing rent policy, via two significant variations to previously agreed principles:
- A proposal to end the requirement for local authorities to achieve rent convergence by 2016; and
 - A shift from the use of the retail price index (RPI) + 0.5% to the consumer price index (CPI) + 1% as the main inflationary factor used in determining future rent increases.
20. On 31 October 2013 the Department for Communities and Local Government (CLG) issued a consultation paper ‘**Rents for Social Housing from 2015-16**’, with a deadline for submissions by interested parties of 24 December 2013. The paper confirms government intentions to move to a new inflation factor of CPI + 1% and to end convergence from April 2015. Implicit in this proposal is also the abolition of the annual affordability limit mechanism, as it assumes rents will no longer increase beyond the limit of CPI + 1%.
21. Whilst on the face of it this removes a significant inflationary factor for individual tenant’s rents, it introduces uncertainty into the rental income projections that underpin self-financing business plans where councils, such as Southwark have not been able to achieve rent convergence by the stated date and have plans predicated on the basis that convergence would continue to fruition beyond 2015/16.
22. Following formula rent policy for 2014/15 gives rise to an average rent increase of 5.4% to £101.61 per week. This compares to the average formula rent target for Southwark for 2014/15 of £108.80, a shortfall of £7.19 (7.1%), highlighting the extent of the gap between actual average rents and those assumed by government as part of the self-financing settlement. Over the next four years, this gap totals £60.3 million. Restricting rent rises to CPI + 1% from April 2015 onward will only serve to exacerbate the shortfall in rental income by a further £15.1 million over the same time period. Taken cumulatively, the Spending Review proposals create a greater loss of spending power (£75.4 million) over the same period – as the table below sets out.

	‘Converging’ Rent (current policy)		Consultation Rent (CPI+1% from 15/16)		Formula Rent (settlement position from 15/16)		Rent Foregone p.a.	
	Average	Rent Debit	Average	Rent Debit	Average	Rent Debit	Currently assumed	New level
2014/15	£101.61	£200.8m	£101.61	£200.8m	£108.80	£216.4m	£15.6m	£15.6m
2015/16	£106.26	£207.8m	£104.65	£204.7m	£112.07	£222.9m	£15.1m	£18.2m
2016/17	£110.44	£214.8m	£107.79	£209.6m	£115.43	£229.5m	£14.7m	£19.9m
2017/18	£114.57	£221.5m	£111.03	£214.7m	£118.89	£236.4m	£14.9m	£21.7m
Cumulative Net change							£60.3m	£75.4m
								£15.1m

CPI assumed to be 2.0% per annum over period

23. It is disappointing that whilst CLG acknowledges that there are non-convergence issues generated by the application of previous rent policy, particularly affordability limits, assistance appears only to be made available to Registered Social Landlords (RSL's) and not to local authorities. It is proposed that RSL's experiencing difficulties apply to their regulator for a time-limited waiver of the social rent policy (presumably to allow them to further converge rents), and it is difficult to see on what grounds this concession should not be extended to council providers in the same situation. It should be noted that in keeping with social housing policy since 2002, these changes are not mandatory and authorities could choose their own course and set rents to converge. However, it is almost certain that this action would contravene the housing benefit limitation arrangements resulting in a financial penalty through the loss of rent rebate subsidy.
24. With regard to the proposed change in inflation factor, in September 2013 these two measures (as uplifted) were identical, and whilst CPI has a historical tendency to be below RPI, this is by no means always the case, particularly if the former is uplifted by more than the latter.
25. In another departure from current council policy, the consultation paper takes the policy of moving new-let properties straight to formula rent as a given as a means of defraying the rental income lost by non-convergence. The council has previously resisted this on the grounds that it would create rent differentials between neighbouring properties of an identical standard, and would therefore be inequitable. As convergence of actual and formula rents approaches, this inequity reduces, but the council will need to weigh in the short-term the continuation of this policy against the opportunity to mitigate the loss of resources over the medium to longer-term.
26. The paper also addresses implementing the previous 'Pay to Stay' consultation proposals for what are designated 'high income social tenants', and makes some technical adjustments to grant-related support for affordable housing, but these matters are not germane to this report at this time.
27. The council's full response to the consultation will form an appendix to the Final HRA Budget report to cabinet in January 2014 for information.

Savings and service development

28. 2013/14 represented the final year of a three-year corporate budget planning horizon (2011/12 – 2013/14), in tandem with the general fund. Over that period, some £21.6 million of efficiency savings and budget rationalisation measures have been successfully delivered in the HRA, whilst maintaining and improving the quality of services to residents. Alongside this, more robust financial management and control of costs has and continues to deliver better value for money and it is these factors that have been instrumental in mitigating the initial impact of self-financing and provided a sound budget platform going forward.

29. Notwithstanding this achievement, the process of budget review and rationalisation is a continuous one, regardless of the overall financial position, particularly with regard to back-office and departmental and corporate overhead functions in order to protect front-line services. Consequently, further savings of £5.9 million have been identified as part of setting a balanced budget for 2014/15.
30. For 2013/14, a programme of service redirection was implemented following resident consultation to determine priorities. For 2014/15, the emphasis shifts to reflect the council's ambitious policy objectives of stock refurbishment/estate regeneration and provision of new council housing, so the imperative becomes to maximise the level of revenue support to the housing investment programme (HIP).
31. Looking beyond delivery of the existing Warm, Dry, Safe (WDS) programme, which is due to conclude in 2015/16, proposals are now being developed for a major refurbishment programme of internal components, such as kitchens and bathrooms. Unlike the WDS programme which is in part funded through Decent Homes backlog funding, no such external funding is likely to be available and resources will be largely generated from the HRA revenue budget. To supplement this, an additional revenue contribution of £4.5 million is recommended in 2014/15. A small-scale programme of kitchens replacements (c. 100 properties) has already begun in the current year linked to WDS and funded from reserves on a one-off basis. However, further funds could be earmarked to continue this programme, albeit on a limited scale pending development of the substantive programme.

Commitments/unavoidable demands

32. General inflation – as with assumptions for the general fund, employee-related inflation has been assumed at 1% across the board. There is a general inflation rate of zero to two percent applicable across HRA operational budgets, depending on the nature of the expenditure, with the exception of works/service contracts that are tied to industry-specific rates. The total is estimated at £2.8 million.
33. Budget commitments are estimated at £8.9 million for 2014/15 as follows:
 - Asbestos containment/removal works in response to more onerous legislative requirements that can no longer be contained within the responsive repairs budget;
 - Structural works that fall between the scope of the Warm Dry Safe (WDS) programme and the repairs and maintenance term contract that similarly can no longer be contained without additional resources. These works are generally of a capital nature and will be financed by way of a revenue contribution;
 - The uplift in the RTB discount has generated an upsurge in activity since April 2012 which has so far been absorbed within existing resources. Similarly, the scaling-up and delivery of the major works programme over the last 18 months has exacerbated capacity shortfalls which need to be addressed to ensure full cost recovery;

- Operational reviews undertaken across a range of housing services, specifically hostels and supported hostel accommodation, mobile alarm response service (SMART) and sheltered housing services require some cost allocation rebasing between the HRA and the general fund to more accurately reflect landlord provision and comply with the HRA ring-fence; and
- Revenue contribution to the housing investment programme, made possible within the context of a balanced budget with the rent and savings parameters as outlined elsewhere within this report.

HRA debt financing

34. The self-financing settlement assumed that residual debt would be extinguished over the 30-year life of the HRA business plan. Over the next two years, £80.1 million of historic debt matures at interest rates ranging between 9% and 10% and provides the opportunity to establish a structured debt management strategy for the HRA going forward. Moving to a principal repayment model for imminently maturing debt is recommended, which, depending on the term and nature of the borrowing could be contained within the existing revenue budget provision, as we derive the benefit of lower interest costs (prevailing market rates typically 3.5% - 4.5%). Alternatively, a more aggressive approach to accelerate the debt repayment profile would require a modest additional budget commitment (currently estimated at £1.3 million in 2014/15). As debt reduces, HRA borrowing headroom increases by the same amount, thereby providing further scope for new borrowing at a later date should the necessity arise.

HRA reserves

35. In common with other local authorities and the council's general fund, the HRA holds reserves, together with working cash balances. The level of HRA reserves were considered to be below the optimum level commensurate with the scale of Southwark's combined revenue and capital programmes, representing a financial risk. In accordance with the medium term resource strategy (MTRS), the council has adopted a structured replenishment of balances over the last few years through an annual base budget contribution of £2 million.
36. Reserves and working balances at 31 March 2013 stand at £31.8 million, albeit over three-quarters are earmarked for pre-determined purposes and the council continues to move towards a similar ratio of unearmarked reserves as the council's general fund (c. £20 million). However, the position is now considered to be at a more prudent and sustainable level in order to mitigate future risks, fulfil future commitments already made and enable the transformation and modernisation of services going forward. It is therefore proposed that the base budget contribution be redirected towards other budget priorities. Any surplus (or deficit) generated during the year will continue to be applied to, or met from reserves in the normal way.

37. The Chartered Institute of Professional Finance and Accountancy (CIPFA) defines reserves and balances in terms of addressing three needs, as set out below, and it should be noted that the application of reserves is normally intended to assist an authority in meeting an unexpected general need or a previously identified specific one. They are by their very nature one-off transactions and are not designed to address a base budget deficit, which if left unattended would have on-going implications for the viability of a self-financed HRA.

- A working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing;
- A contingency to cushion the impact of unexpected events or emergencies; and
- A means of building up funds, often referred to as 'earmarked' reserves, to meet known or predicted liabilities.

38. The table below shows the actual reserves and balances position for the HRA at 31 March 2013, compared with an average for inner and outer London boroughs. Whilst this remains below the average for inner London, Southwark is approaching the average for outer London boroughs.

	Committed	Uncommitted	Total	%age
Southwark HRA	£25.0m 79%	£6.8m 21%	£31.8m	12.33%
Inner London HRA			£397.2m	23.01%
Outer London HRA			£140.6m	15.20%
Greater London HRA			£537.8m	20.29%

Source: London Boroughs Audited Statements of Accounts 2012/13

Tenant service charges

39. Tenant service charges were de-pooled from rent as part of the government's rent restructuring regime in 2003/04. This was to enable greater consistency and transparency between local authority and RSL sectors. Charges were frozen in 2012/13 and 2013/14. Increases are normally capped nationally at September RPI @ 2.6% + 0.5%, which would equate to an overall increase of 3.1% for 2014/15. However, contract-based savings will offset this underlying increase and so the charges are not proposed to increase in 2014/15. The cash realised from service charges will fall slightly in 2014/15 due to reductions in stock numbers. For reference, the respective service charges are listed in the table below:

	2013/14 £ per week	2014/15 £ per week	Percentage change
Estate Cleaning	4.60	4.60	0.0%
Grounds Maintenance	1.09	1.09	0.0%
Communal Lighting	1.17	1.17	0.0%
Door Entry	0.68	0.68	0.0%
Total	7.54	7.54	0.0%

Garage rents and other charges

40. Garage rents were last subject to review and revision in 2012/13. For the current year charges remained static, with the exception of variations to the terms and conditions of the concessionary rates previously offered. Generally, demand for garages is strong, particularly in the north of the borough and the council has embarked upon a programme of refurbishment designed to bring under-utilised stock back into use, which in turn generates rental growth. There are currently no proposals to increase charges in 2014/15 pending a refresh of the previous London-wide comparison which informed current rates.
41. Non-residential charges such as store sheds, parking bays, etc and estate, block and property-specific charges such as concierge and closed-circuit television charges are all proposed to remain at existing levels for 2014/15. Other fees and charges along with non-HRA charges are the subject of a separate fees and charges report relating to the housing and community services department under delegated approval.

District heating charges

42. The council reviews charges annually to ensure that within the context of the current flexibly-priced gas supply contracts, charges are set at a level to smooth price volatility as far as possible over the contract period. On-going investment in the infrastructure to increase energy efficiency/reduce consumption contributes to the financial sustainability of the heating account which has enabled charges to be maintained at the same level since 2009/10.
43. Energy costs are pooled across the dwelling stock and standardised charges are set on a borough-wide basis for tenants, depending on the number of bedrooms and type of heating installation. Homeowners are charged actual costs, comprising energy and repair and maintenance as determined in their lease. With the application of greater efficiencies in terms of gas consumption as outlined above and potential use of accrued balances, means that charges can be held at existing levels once again for 2014/15. As with tenant service charges, a fall in stock numbers means a small reduction in cash generated.

Sheltered housing service charges

44. These service charges were introduced as an individual member decision by the Deputy Leader and Cabinet Member for Housing Management on 10 January 2013. It is not proposed to vary these charges in 2014/15.

Thames Water

45. Water and sewerage charges applicable to council dwellings will be subject to an increase from April 2014. Thames Water calculates individual property charges and notification of the increase will be advised in due course. The council act as agent for the billing and collection of charges, but have no influence over the charges set by Thames Water, who are an independent commercial entity regulated by Ofwat. A one-off additional increase proposed to meet the cost of major infrastructure investment by Thames Water has been rejected by Ofwat, meaning that the actual increase will be capped by the regulator at 1.4% above inflation as set out in their price limit review covering 2010 – 2015. For 2014/15 an increase of 5% has been assumed for budget planning purposes, which includes an adjustment for stockloss.

Leaseholder and other income streams

46. Tenant rents constitute around 70% of HRA income, the remainder comprising: tenant service charges, homeowner revenue and capital service charges, commercial property rents, interest, commission and capitalised/recharged costs.
47. Homeowner contributions represent the actual costs incurred within the HRA that are recoverable under the terms of the lease. The budget for revenue service charges has been revised to reflect current activity levels and expected future growth in right-to-buy sales and as the council achieves full cost recovery.
48. Capital charges are determined by the scale and delivery of investment in the stock overall and the extent to which it pertains to leasehold property. The base budget contains a relatively prudent expectation of income in order to avoid large budgetary fluctuations due to the variable nature of the works programme. However, given the council's progress in delivering on WDS and other works programmes, the budget has been revised to reflect current delivery and planned activity up to the end of 2015/16.
49. Other contributory elements include a net increase in garage income reflecting higher lettings arising from greater investment in the garage stock and higher capitalised sales costs and fee income arising from the upturn in right-to-buy activity, totalling £5.6 million overall.

Consultation and notification

50. Whilst there is no statutory requirement to consult, the council is committed to engaging with stakeholders, particularly under the terms of the Tenancy Agreement. This process commences with an interim scene-setting report to cabinet on 10 December 2014 setting out the indicative budget and implications for rents and other charges in order that consultation with residents can commence before Christmas. This report will be presented to Tenant Council, area housing forums, TMO Liaison Committee and Homeowner Council (HOC) during January 2014. HOC are unable to make recommendations in the matter of tenant rents and service charges, but may do so in respect of proposals regarding non-residential rents and other charges and in terms of the budget proposals pertinent to the calculation of their service charges.

51. Cabinet will consider the final rent setting and HRA budget report at their meeting on 28 January 2014. As normal, the results of the consultation processes will be reported to cabinet at that meeting for their consideration.
52. The revised HRA budget for 2013/14 and indicative budget for 2014/15 is summarised in Appendix F, and set out by division in Appendix G.

Statutory and contractual notifications

53. Subsequent to the approval of the final report on 28 January 2014, either as set out or as amended by cabinet, and the passing of the necessary date for its implementation, the council will issue a statutory and contractual notification of variation in rents and other charges to all tenants, not less than 28 days prior to the operative date (7 April 2014) for the commencement of the new rents and charges referred to above.

Community impact statement

54. The council works in accordance with the single public sector equality duty contained within section 149 of the Equality Act 2010. This means the council must have due regard to the need to eliminate unlawful discrimination, harassment and victimisation, and advance equality of opportunity and foster good relations between different groups.
55. Consideration has been given to the report's relevance to equality issues in accordance with the public sector equality duty. This report is primarily to set rents and associated charges and a scoping exercise established there is no differential effect for any community or protected group. Notwithstanding the fact that no increase is being proposed across a range of charges from April 2014), it is recognised that a rent increase may present particular difficulties for people on low incomes, although rents and tenant service charges remain eligible for housing benefit. The assessment also considers the effects of the self-financing regime introduced under the provisions of the Localism Act 2011 and the determinations issued by the Department for Communities and Local Government (CLG) in accordance with the provisions of Section 173 of that act.
56. There is a statutory requirement to set a balanced HRA budget. Extensive consultation previously undertaken incorporated savings proposals totalling £21.6 million over the period 2011/12 to 2013/14, which have all been delivered. For 2014/15 the extent and composition of savings proposed (£5.9 million) are detailed as part of Appendices E and F. An assessment to ascertain their potential impact has been undertaken and concluded there is no differential effect for any community or protected group.

57. Above and beyond the increases in rent there are wider issues impacting both nationally and locally in terms of the government's welfare reforms and housing benefit changes for under-occupancy, which came into force in April 2013. These have also been considered and measures to mitigate the effects on the community have been implemented together with the provision of additional resources to support tenancy sustainment through down-sizing, assist in gaining employment, prevent eviction and homelessness and provide direct financial assistance through the provision of Discretionary Housing Payments (DHP) from the HRA, for which Southwark has received Secretary of State approval.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Legal Services

58. Statutory requirements as to the keeping of a Housing Revenue Account (HRA) are contained in the Local Government and Housing Act 1989 ('the 1989 Act'). The 1989 Act provisions include a duty, under Section 76 of the 1989 Act, to budget to prevent a debit balance on the HRA and to implement and review the budget.
59. Further provisions relating to housing finance are set out under Sections 168 to 175 of the Localism Act 2011 ('the 2011 Act') and provide for the determination of settlement payments calculated in accordance with such formulae as the Secretary of State may issue from time to time. The settlement payment under the 2011 Act replaced subsidy payments for England made under the HRA, previously provided for by Section 80 of the 1989 Act and this report sets out the effects of the self-financing settlement.
60. Under Section 24 of the Housing Act 1985, local housing authorities have the power to "make such reasonable charges as they may determine for the tenancy or occupation of their houses". Section 24 also requires local authorities, from time to time, to review rents and make such changes as circumstances may require. The section confers a broad discretion as to rents and charges made to occupiers, however cabinet will note the effective limitation of discretion provided by the calculation of the self-financing debt settlement referred to in this report.
61. Rent and other charges are excluded from the statutory definition of matters of housing management in respect of which local authorities are required to consult their tenants pursuant to Section 105 of the Housing Act 1985 and Sections 137 and 143A of the Housing Act 1996 in relation to secure, introductory and demoted tenants respectively. As a term of the tenancy agreement with its tenants however, Southwark Council has undertaken to consult with the Tenant Council, "before seeking to vary the sums payable for rents and other charges". The report indicates consultation will take place in order to comply with this term.
62. It is further provided by Section 103 of the Housing Act 1985 in relation to secure tenancies, which also applies in respect of introductory tenancies by virtue of Section 111A of the Housing Act 1985, together with the council's agreement with its tenants, that they are notified of variation of rent and other charges at least 28 days before the variation takes effect by service of a notice of variation. The report indicates the notice of variation will be served in time to comply with this requirement.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
https://www.gov.uk/government/consultations/rents-for-social-housing-from-2015-to-2016	160 Tooley Street London SE1 2QH	Shaun Regan, Senior Finance Manager
http://moderngov.southwark.gov.uk/documents/34365/Report%20-%20Sheltered%20Housing%20Service%20Charges.pdf	160 Tooley Street London SE1 2QH	Martin Green, Head of Specialist Housing Services

APPENDICES

No.	Title
Appendix A	Average Rents across London Boroughs 2013/14 – Table
Appendix B	Actual and Formula Rents by London Borough 2013/14 – Chart
Appendix C	HRA Indicative Budget Movements 2013/14 – 2014/15
Appendix D	HRA Revised Base Budget 2013/14 and Indicative Budget 2014/15
Appendix E	HRA Summary Savings and Income Generation Schedule 2014/15
Appendix F	HRA Revised Budget 2013/14 and Indicative Budget 2014/15
Appendix G	HRA Indicative Base Budget 2014/15 by Division

AUDIT TRAIL

Cabinet Member	Councillor Ian Wingfield, Deputy Leader and Cabinet Member for Housing Management	
Lead Officer	Duncan Whitfield, Strategic Director of Finance and Corporate Services	
Report Author	Ian Young, Divisional Finance Manager, Housing and Community Services	
Version	Final	
Dated	28 November 2013	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS/DIRECTORATES/CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Director of Legal Services	Yes	Yes
Strategic Director of Finance and Corporate Services	n/a	n/a
Date final report sent to Constitutional Team		28 November 2013

APPENDIX A – AVERAGE RENTS ACROSS LONDON BOROUGHES 2013/14

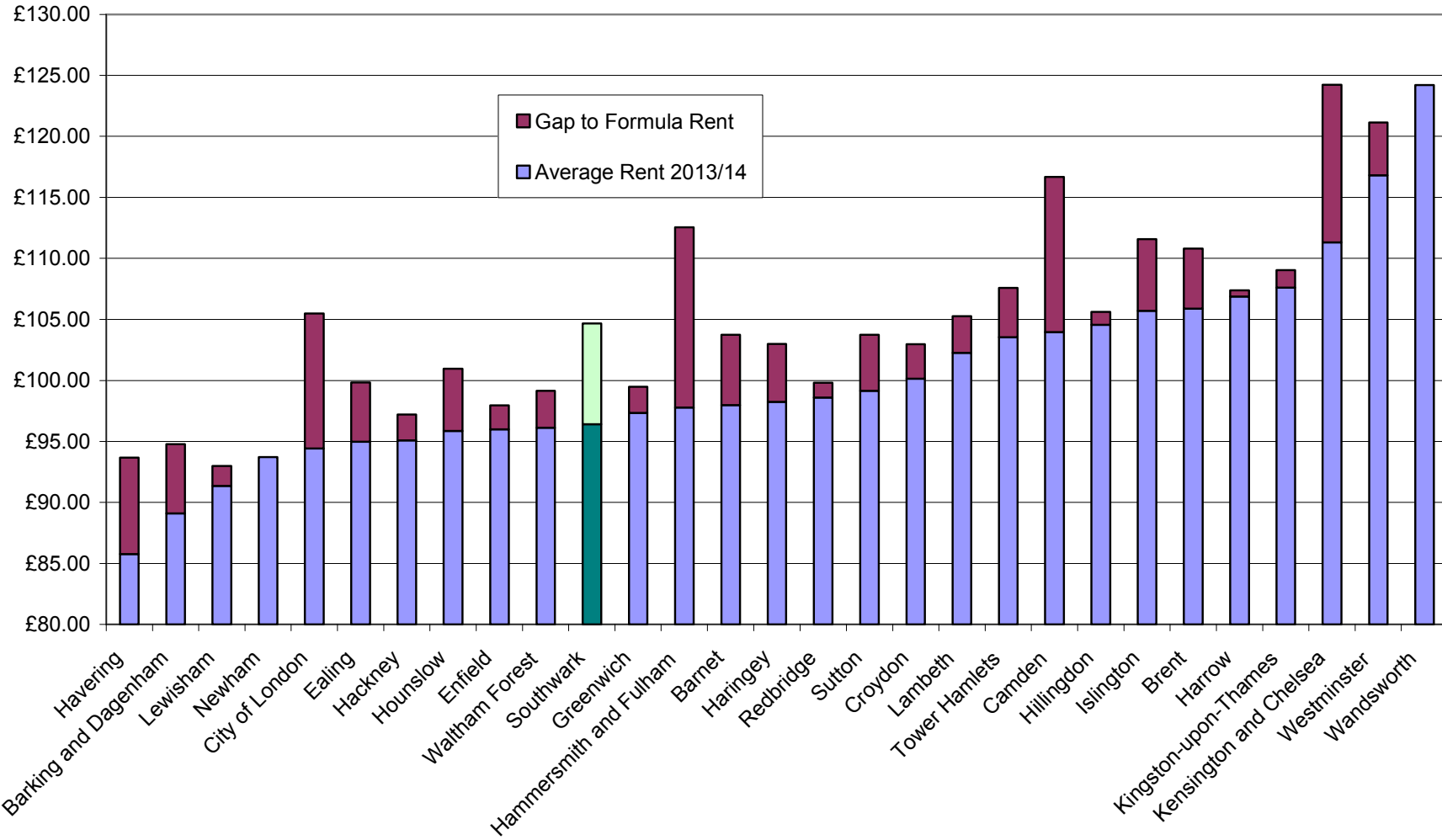
	Average Rent 2013/14 £	Target Rent 2013/14 £	Average to Target Gap 2013/14 %	Guideline Rent 2014/15 £	Target Rent 2014/15 £
Barking and Dagenham	89.10	94.76	6.4%	96.61	98.26
Barnet	97.98	103.72	5.9%	106.09	107.56
Bexley	–	–	–	–	–
Brent	105.87	110.81	4.7%	113.00	114.91
Bromley	–	–	–	–	–
Camden	103.97	116.67	12.2%	118.79	120.98
City of London	94.43	105.47	11.7%	107.72	109.37
Croydon	100.13	102.97	2.8%	105.40	106.78
Ealing	94.98	99.83	5.1%	102.20	103.53
Enfield	95.99	97.95	2.0%	100.31	101.58
Greenwich	97.32	99.47	2.2%	101.65	103.15
Hackney	95.07	97.20	2.2%	99.31	100.79
Hammersmith and Fulham	97.76	112.55	15.1%	115.08	116.72
Haringey	98.23	103.00	4.9%	105.44	106.81
Harrow	106.88	107.38	0.5%	109.90	111.36
Havering	85.76	93.67	9.2%	95.90	97.14
Hillingdon	104.55	105.61	1.0%	107.94	109.51
Hounslow	95.85	100.96	5.3%	103.19	104.70
Islington	105.70	111.59	5.6%	113.90	115.72
Kensington and Chelsea	111.32	124.22	11.6%	127.06	128.81
Kingston-upon-Thames	107.60	109.04	1.3%	111.51	113.08
Lambeth	102.25	105.27	3.0%	107.30	109.17
Lewisham	91.36	92.98	1.8%	95.15	96.42
Merton	–	–	–	–	–
Newham	93.72	93.72	–	95.82	97.18
Redbridge	98.58	99.80	1.2%	102.14	103.50
Richmond-upon-Thames	–	–	–	–	–
Southwark	96.40	104.67	8.6%	106.87	108.80
Sutton	99.15	103.72	4.6%	105.95	107.56
Tower Hamlets	103.55	107.57	3.9%	109.59	111.55
Waltham Forest	96.13	99.16	3.2%	101.26	102.83
Wandsworth	124.20	121.10	(2.5%)	123.38	125.58
Westminster	116.81	121.14	3.7%	123.55	125.63
London Average	99.99	104.76	4.8%	106.99	108.66

Source: London Boroughs HRA Budget Reports 2013/14

Notes:

- Southwark's average rent (adjusted mid-year stock position) for 2013/14 ranks 11th lowest of the 29 London Boroughs that manage their housing stock either directly or via an ALMO.
- Average rent figures exclude tenant service charges.
- London averages are weighted by stock numbers.
- Where the budget report did not quote an average weekly cash figure, this is extrapolated from their quoted percentage increase.

APPENDIX B – AVERAGE RENTS 2013/14



Data source: London Boroughs HRA Budget Reports

APPENDIX C – HRA INDICATIVE BUDGET MOVEMENTS 2013/14 – 2014/15

	Paragraphs	£m
Contributions and commitments:		
Additional contribution to Investment Programme	30 – 31	4.5
General inflation	32	2.8
Service commitments	33	4.4
Financing	34	2.4
Sub-total		14.1
Rents and charges:		
Guideline dwelling rent increase	14 – 17	(10.6)
Dwelling rents (stockloss/voids/week 53 adj.)	18	7.7
Tenant service charges (stockloss/voids/week 53 adj.)	39	0.5
District heating (stockloss/voids/week 53 adj.)	43	0.2
Thames Water increase	45	(0.4)
Leaseholder and other income streams	46 – 49	(5.6)
Sub-total		(8.2)
DEFICIT/(SURPLUS) BEFORE EFFICIENCY SAVINGS		5.9
Efficiency savings to be funded:		
Savings required to meet corporate programme	28 – 29	(3.9)
Deletion of reserve contribution	35 – 38	(2.0)
Sub-total		(5.9)
OVERALL NET DEFICIT/(SURPLUS)		0.0

APPENDIX D – HRA REVISED BASE BUDGET 2013/14 AND INDICATIVE BUDGET 2014/15

	Revised Base Budget 2013/14 £m	Indicative Budget 2014/15 £m
Expenditure:		
Employees	29.5	30.6
Running Costs	21.4	22.0
Thames Water Charges	12.8	13.4
Contingency Reserve	1.5	1.5
Contribution to Reserves	2.0	–
Grounds Maintenance/Estate Cleaning	14.8	14.8
Responsive Repairs/Heating Repairs	49.6	51.4
Contribution to Investment Programme	5.3	9.8
Landlord Commitments	7.4	7.4
Planned Maintenance	9.5	9.6
Corporate Support Costs/SLAs	22.3	21.5
Depreciation	49.9	51.3
Financing Costs	30.9	31.9
Tenant Management Organisation Allowances	2.8	2.8
Heating Account	12.2	12.2
Sub-total	271.9	280.2
Income:		
Rents – Dwellings	(189.9)	(192.8)
Rents – Non Dwellings	(4.9)	(5.0)
Heating/Hot Water Charges	(9.6)	(9.4)
Tenant Service Charges	(13.6)	(13.1)
Thames Water Charges	(12.8)	(13.2)
Commission Receivable	(2.8)	(2.8)
Leaseholders – Major Works	(6.5)	(10.0)
Leaseholders – Service Charges	(15.8)	(17.3)
Interest on Balances	(0.3)	(0.3)
Commercial Property Rents	(6.7)	(6.7)
Fees and Charges	(1.2)	(1.3)
Capitalisation	(7.0)	(7.5)
Recharges	(0.8)	(0.8)
Sub-total	(271.9)	(280.2)
TOTAL	0.0	0.0

**APPENDIX E – HRA SUMMARY SAVINGS AND INCOME GENERATION SCHEDULE
2014/15**

Division	Savings £'000	Income Generation £'000	Total £'000
Customer Experience:			
Homesearch – transition to online provision	(94)	–	(94)
	(94)	–	(94)
Finance and Corporate Services:			
Support services – re-align accommodation and H&S budgets	(307)	–	(307)
Business applications – reduction in running costs	(192)	–	(192)
CSC – savings arising from transition to in-house provision	(599)	–	(599)
Contribution to Reserves – delete appropriations budget	(2,000)	–	(2,000)
	(3,098)	–	(3,098)
Specialist Housing Services:			
Sheltered Housing – reduced R&M in lieu of PPM/Capital	(100)	–	(100)
Temp Accommodation – R&M volume reduction	(120)	–	(120)
RTB capitalisation – increase due to RTB volumes	–	(453)	(453)
Fees and charges – increase due to RTB volumes	–	(50)	(50)
Service charges – activity driven budget re-alignment	–	(1,500)	(1,500)
Major works – activity driven budget re-alignment	–	(3,470)	(3,470)
Garages – increased lettings/voids reduction	–	(100)	(100)
	(220)	(5,573)	(5,793)
Chief Executive's:			
Regeneration and Delivery – delete recharge budget	(59)	–	(59)
	(59)	–	(59)
Community Engagement:			
TRA halls – reduced R&M in lieu of PPM/Capital	(39)	–	(39)
Resident Involvement Team – restructure	(41)	–	(41)
	(80)	–	(80)
Maintenance and Compliance:			
Voids – transition to fixed price model	(400)	–	(400)
Repairs – service delivery/performance improvements	(120)	–	(120)
Repairs – reduction in external professional fees	(200)	–	(200)
Repairs – transition from lump sum to NHF rates	(419)	–	(419)
Repairs – reduction in schedule of rates	(280)	–	(280)
	(1,419)	–	(1,419)
Operations:			
Move to 3-year review cycle of tenants handbook & reduce subscriptions	(180)	–	(180)
Reduction in temporary accommodation placements	(150)	–	(150)
Reduction in operational running costs across division	(372)	–	(372)
Environment recharge – budget re-alignment	(190)	–	(190)
TV Aerials – increase in income	–	(50)	(50)
	(892)	(50)	(942)
Major Works:			
Programme and Planning – restructure	(31)	–	(31)
	(31)	–	(31)
TOTAL	(5,893)	(5,623)	(11,516)

APPENDIX F – HRA REVISED BUDGET 2013/14 AND INDICATIVE BUDGET 2014/15

HOUSING REVENUE ACCOUNT	2013/14	Inflation	Commitments	Financing & Inv. Prog.	Rents & Income Gen.	Savings	2014/15
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure:							
Employees	29,472	479	863	–	–	(202)	30,612
Running Costs	21,434	749	1,105	–	–	(1,325)	21,963
Thames Water Charges	12,822	641	–	–	–	–	13,463
Contingency/Contribution to Reserves	3,475	–	–	–	–	(2,000)	1,475
Grounds Maintenance/Estate Cleaning	14,779	148	21	–	–	(190)	14,758
Responsive Repairs/Heating Repairs	49,622	755	2,353	–	–	(1,358)	51,372
Contribution to Investment Programme	5,332	–	–	4,500	–	–	9,832
Landlord Commitments	7,400	–	–	–	–	–	7,400
Planned Maintenance	9,514	132	–	–	–	–	9,646
Corporate Support Costs/SLAs	22,279	–	75	–	–	(818)	21,536
Depreciation	49,874	–	–	1,396	–	–	51,270
Financing Costs	30,899	–	–	1,000	–	–	31,899
Tenant Man. Organisation Allowances	2,817	42	(53)	–	–	–	2,806
Heating Account	12,198	–	–	–	–	–	12,198
Sub-total	271,917	2,946	4,364	6,896	–	(5,893)	280,230
Income:							
Rents – Dwellings	(189,895)	–	–	–	(2,910)	–	(192,805)
Rents – Non-Dwellings	(4,868)	–	–	–	(100)	–	(4,968)
Heating/Hot Water Charges	(9,585)	–	–	–	198	–	(9,387)
Tenant Service Charges	(13,621)	–	–	–	456	–	(13,165)
Thames Water Charges	(12,766)	–	–	–	(382)	–	(13,148)
Commission Receivable	(2,806)	(112)	145	–	–	–	(2,773)
Leaseholders – Major Works	(6,530)	–	–	–	(3,470)	–	(10,000)
Leaseholders – Service Charges	(15,850)	–	–	–	(1,500)	–	(17,350)
Interest on Balances	(311)	–	–	–	–	–	(311)
Commercial Property Rents	(6,664)	–	–	–	–	–	(6,664)
Fees and Charges	(1,252)	–	–	–	(100)	–	(1,352)
Capitalisation	(6,978)	(29)	(56)	–	(453)	–	(7,516)
Recharges	(791)	–	–	–	–	–	(791)
Sub-total	(271,917)	(141)	89	–	(8,261)	–	(280,230)
TOTAL	0	2,805	4,453	6,896	(8,261)	(5,893)	0

APPENDIX G – HRA INDICATIVE BASE BUDGET 2014/15 BY DIVISION

HOUSING REVENUE ACCOUNT	2013/14	Inflation	Commitments	Financing & Inv. Prog.	Rents & Income Gen.	Savings	2014/15
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Customer Experience	1,873	13	–	–	–	(94)	1,792
Finance and Corporate Services	145,230	1,414	722	6,896	–	(3,098)	151,164
Specialist Housing Services	(37,286)	380	601	–	(4,954)	(220)	(41,479)
Chief Executive's	1,172	7	–	–	–	(59)	1,120
Community Engagement	2,129	16	–	–	–	(80)	2,065
Maintenance and Compliance	46,820	700	2,770	–	–	(1,419)	48,871
Operations	(173,742)	255	360	–	(3,307)	(892)	(177,326)
Major Works	1,606	20	–	–	–	(31)	1,595
Heating Account	12,198	–	–	–	–	–	12,198
TOTAL	0	2,805	4,453	6,896	(8,261)	(5,893)	0

CUSTOMER EXPERIENCE	2013/14	Inflation	Commitments	Financing & Inv. Prog.	Rents & Income Gen.	Savings	2014/15
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure:							
Employees	1,305	13	–	–	–	–	1,318
Running Costs	601	–	–	–	–	(94)	507
Responsive Repairs/Heating Repairs	2	–	–	–	–	–	2
Corporate Support Costs/SLAs	40	–	–	–	–	–	40
Sub-total	1,948	13	–	–	–	(94)	1,867
Income:							
Recharges	(75)	–	–	–	–	–	(75)
Sub-total	(75)	–	–	–	–	–	(75)
TOTAL	1,873	13	–	–	–	(94)	1,792

FINANCE AND CORPORATE SERVICES	2013/14	Inflation	Commitments	Financing & Inv. Prog.	Rents & Income Gen.	Savings	2014/15
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure:							
Employees	1,646	26	–	–	–	–	1,672
Running Costs	3,836	749	722	–	–	(280)	5,027
Thames Water Charges	12,726	636	–	–	–	–	13,362
Contingency/Contribution to Reserves	3,475	–	–	–	–	(2,000)	1,475
Contribution to Investment Programme	5,332	–	–	4,500	–	–	9,832
Landlord Commitments	7,400	–	–	–	–	–	7,400
Planned Maintenance	7,394	111	–	–	–	–	7,505
Corporate Support Costs/SLAs	17,315	–	–	–	–	(818)	16,497
Depreciation	49,874	–	–	1,396	–	–	51,270
Financing Costs	30,856	–	–	1,000	–	–	31,856
Tenant Man. Organisation Allowances	300	4	–	–	–	–	304
Sub-total	140,154	1,526	722	6,896	–	(3,098)	146,200
Income:							
Rents – Dwellings	7,983	–	–	–	–	–	7,983
Commission Receivable	(2,241)	(112)	–	–	–	–	(2,353)
Interest on Balances	(136)	–	–	–	–	–	(136)
Recharges	(530)	–	–	–	–	–	(530)
Sub-total	5,076	(112)	–	–	–	–	4,964
TOTAL	145,230	1,414	722	6,896	–	(3,098)	151,164

SPECIALIST HOUSING SERVICES	2013/14	Inflation	Commitments	Financing & Inv. Prog.	Rents & Income Gen.	Savings	2014/15
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure:							
Employees	5,833	233	348	–	–	–	6,414
Running Costs	2,315	–	158	–	–	–	2,473
Thames Water Charges	31	2	–	–	–	–	33
Grounds Maintenance/Estate Cleaning	121	1	–	–	–	–	122
Responsive Repairs/Heating Repairs	6,653	100	(52)	–	–	(220)	6,481
Planned Maintenance	394	6	(20)	–	–	–	380
Corporate Support Costs/SLAs	4,217	–	75	–	–	–	4,292
Financing Costs	43	–	–	–	–	–	43
Tenant Man. Organisation Allowances	2,517	38	(53)	–	–	–	2,502
Sub-total	22,124	380	456	–	–	(220)	22,740
Income:							
Rents – Dwellings	(20,317)	–	–	–	473	–	(19,844)
Rents – Non-Dwellings	(4,868)	–	–	–	(100)	–	(4,968)
Heating/Hot Water Charges	(1,025)	–	–	–	73	–	(952)
Tenant Service Charges	(2,054)	–	–	–	71	–	(1,983)
Thames Water Charges	(1,011)	–	–	–	2	–	(1,009)
Commission Receivable	(565)	–	145	–	–	–	(420)
Leaseholders – Major Works	(6,530)	–	–	–	(3,470)	–	(10,000)
Leaseholders – Service Charges	(15,850)	–	–	–	(1,500)	–	(17,350)
Interest on Balances	(175)	–	–	–	–	–	(175)
Commercial Property Rents	(6,664)	–	–	–	–	–	(6,664)
Fees and Charges	(78)	–	–	–	(50)	–	(128)
Capitalisation	(87)	–	–	–	(453)	–	(540)
Recharges	(186)	–	–	–	–	–	(186)
Sub-total	(59,410)	–	145	–	(4,954)	–	(64,219)
TOTAL	(37,286)	380	601	–	(4,954)	(220)	(41,479)

CHIEF EXECUTIVE'S	2013/14	Inflation	Commitments	Financing & Inv. Prog.	Rents & Income Gen.	Savings	2014/15
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure:							
Employees	1,014	10	19	–	–	–	1,043
Running Costs	343	–	(16)	–	–	(59)	268
Corporate Support Costs/SLAs	1	–	–	–	–	–	1
Sub-total	1,358	10	3	–	–	(59)	1,312
Income:							
Capitalisation	(186)	(3)	(3)	–	–	–	(192)
Sub-total	(186)	(3)	(3)	–	–	–	(192)
TOTAL	1,172	7	–	–	–	(59)	1,120

COMMUNITY ENGAGEMENT	2013/14	Inflation	Commitments	Financing & Inv. Prog.	Rents & Income Gen.	Savings	2014/15
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure:							
Employees	962	10	(21)	–	–	(41)	910
Running Costs	836	–	21	–	–	–	857
Responsive Repairs/Heating Repairs	400	6	–	–	–	(39)	367
Sub-total	2,198	16	–	–	–	(80)	2,134
Income:							
Fees and Charges	(10)	–	–	–	–	–	(10)
Capitalisation	(59)	–	–	–	–	–	(59)
Sub-total	(69)	–	–	–	–	–	(69)
TOTAL	2,129	16	–	–	–	(80)	2,065

MAINTENANCE AND COMPLIANCE	2013/14	Inflation	Commitments	Financing & Inv. Prog.	Rents & Income Gen.	Savings	2014/15
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure:							
Employees	5,671	57	376	–	–	(120)	5,984
Running Costs	2,500	–	1	–	–	(200)	2,301
Responsive Repairs/Heating Repairs	41,871	649	2,405	–	–	(1,099)	43,826
Planned Maintenance	726	–	–	–	–	–	726
Corporate Support Costs/SLAs	691	–	–	–	–	–	691
Sub-total	51,459	706	2,782	–	–	(1,419)	53,528
Income:							
Fees and Charges	(35)	–	–	–	–	–	(35)
Capitalisation	(4,604)	(6)	(12)	–	–	–	(4,622)
Sub-total	(4,639)	(6)	(12)	–	–	–	(4,657)
TOTAL	46,820	700	2,770	–	–	(1,419)	48,871

OPERATIONS	2013/14	Inflation	Commitments	Financing & Inv. Prog.	Rents & Income Gen.	Savings	2014/15
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure:							
Employees	10,517	105	115	–	–	(10)	10,727
Running Costs	10,875	–	204	–	–	(692)	10,387
Thames Water Charges	65	3	–	–	–	–	68
Grounds Maintenance/Estate Cleaning	14,658	147	21	–	–	(190)	14,636
Responsive Repairs/Heating Repairs	696	–	–	–	–	–	696
Planned Maintenance	–	–	20	–	–	–	20
Corporate Support Costs/SLAs	10	–	–	–	–	–	10
Sub-total	36,821	255	360	–	–	(892)	36,544
Income:							
Rents – Dwellings	(177,561)	–	–	–	(3,383)	–	(180,944)
Heating/Hot Water Charges	(8,560)	–	–	–	125	–	(8,435)
Tenant Service Charges	(11,567)	–	–	–	385	–	(11,182)
Thames Water Charges	(11,755)	–	–	–	(384)	–	(12,139)
Fees and Charges	(1,120)	–	–	–	(50)	–	(1,170)
Sub-total	(210,563)	–	–	–	(3,307)	–	(213,870)
TOTAL	(173,742)	255	360	–	(3,307)	(892)	(177,326)

MAJOR WORKS	2013/14	Inflation	Commitments	Financing & Inv. Prog.	Rents & Income Gen.	Savings	2014/15
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure:							
Employees	2,524	25	26	–	–	(31)	2,544
Running Costs	128	–	15	–	–	–	143
Planned Maintenance	1,000	15	–	–	–	–	1,015
Corporate Support Costs/SLAs	5	–	–	–	–	–	5
Sub-total	3,657	40	41	–	–	(31)	3,707
Income:							
Fees and Charges	(9)	–	–	–	–	–	(9)
Capitalisation	(2,042)	(20)	(41)	–	–	–	(2,103)
Sub-total	(2,051)	(20)	(41)	–	–	–	(2,112)
TOTAL	1,606	20	–	–	–	(31)	1,595

HEATING ACCOUNT	2013/14	Inflation	Commitments	Financing & Inv. Prog.	Rents & Income Gen.	Savings	2014/15
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure:							
Heating Account	12,198	–	–	–	–	–	12,198
Sub-total	12,198	–	–	–	–	–	12,198
TOTAL	12,198	–	–	–	–	–	12,198

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