

APPENDIX 2

Item No. 4.	Classification: Open	Date: 15 February 2011	Meeting Name: Cabinet
Report title:		Housing Revenue Account – Approval of HRA Budget 2011/12	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Ian Wingfield, Deputy Leader and Cabinet Member for Housing Management	

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

1. This year, for the first time, I am recommending to Cabinet that we prudently consider the savings needed to balance the Housing Revenue Account (HRA) mainly because of the reductions in subsidy from central government. I believe as an act of public faith that it is important to fully involve residents in the difficult choices we have to make if we are to both retain their trust and are to be seen as acting with integrity and as necessary to fulfil statutory requirements for consultation.
2. Cabinet has already considered the rent setting element of the HRA budget. This paper sets out in more detail how we intend to bridge the savings gap required to balance the HRA in 2011/12.
3. I have listened to what residents have to say on which services are important to them and have reflected their views by recommending that front-line services are maintained, together with an increased emphasis on more efficient and smarter ways of working. Residents want a more visible and direct housing service, stronger performance management of contractors, and excellent customer service. Therefore, wherever possible, my objective has been in proposing savings that protect front-line services and deliver an improved service overall for residents.
4. In that vein, I have asked officers, when restructuring services to meet the level of savings required, to maintain a local presence on estates, with accessible and visible staff.
5. Involving residents in the consultation around the HRA is a new process for the council. The timing of the final settlement from government has meant that the process has been rushed this year. Therefore, at the time of writing, the detail of how services should be reconfigured is not yet complete although draft structures will be available for consultation with staff from the beginning of February.
6. Moving forward, consultation on the HRA will be an iterative process. Residents and staff will be involved at a much earlier stage in future years and on an ongoing basis. The council is committed to opening this process up and linking the HRA budget setting seamlessly with that of the General Fund budget.

RECOMMENDATIONS

7. Cabinet is recommended to:
 - Note the savings required to deliver a balanced HRA for 2011/12 and
 - Approve the proposals to deliver the savings
 - Note the consultation carried out to date
 - Note the further consultation and assessments that will be carried out.

BACKGROUND INFORMATION

8. The Spending Review undertaken by the Coalition Government published on 20 October 2010 contained significant financial decisions for local government. The HRA, despite being ring-fenced from the rest of the General Fund was not immune from the fall-out from this, and officers were instructed to identify a savings package in line with that required for the rest of the council.
9. The Cabinet considered the rent setting part of the HRA budget on 25 January 2011. That report included reference to the efficiency savings required to deliver a balanced HRA and that a further report would be presented to Cabinet setting out the detail of the savings for endorsement before the end of the current financial year.
10. This further report sets out the proposals for efficiency savings following consultation so far undertaken with residents. The council has been keen to involve residents in this discussion as customers of the new housing services department and because they will know best what services they wish to maintain.
11. Statutory consultation is required under Section 105 of the Housing Act 1985. The process for consultation has been necessarily truncated this year as the final settlement was not received from central government until 10 January 2011. We have discussed where savings could be made with local area forums and Home Owners Council. The HRA budget for 2010/11 detailed at Appendix A was utilised for this purpose. A letter has been sent to the chairs of Tenants and Residents Associations and there has been a presentation to the Tenants Council. In addition, a sub-group of the Tenants Council, the HRA Savings Workings Party has been working with officers. Moving forward, officers have undertaken to keep this group going and to build in a consultation programme with a longer lead-in time for the years ahead.

Statutory Framework

12. 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, housing subsidy, leaseholder service charges and other income.

13. Consultation on matters of housing management is provided for by Section 105 of the Housing Act 1985. A matter is one of housing if in the opinion of the landlord authority, it fulfils three conditions inter alia that:-
- It relates to the management of dwellings let by the authority under secure tenancies or to the provision of services or amenity in connection with such dwellings.
 - It represents a change in the practice or policy of the landlord authority
 - It is likely to substantially affect its secure tenants as a whole or a group of them.

KEY ISSUES FOR CONSIDERATION

14. When determining where savings, should be made, the starting point has been to listen to residents' concerns about the services they wish to protect, the potential for better value for money and more efficient ways of working.
15. The scale of savings required is immense with the Housing Services directorate required to deliver 25% savings over the next three years. This is in line with pressures on the HRA budget as outlined in paragraph 15. This is also in line with the Council's aspiration to align the processes between the HRA and the General Fund. This alignment will evolve throughout the lifetime of the administration and is due for further review through 2011/12. Such savings require a radical approach to structures and working practices, but importantly it also provides an opportunity for transformational change to improve access, harness new technologies to deliver better services and increase efficiency.
16. The guiding principle is that customers should be placed at the heart of the proposals and the service should be more responsive with increased ownership and follow-through. In assessing budget proposals moving forward, there is a requirement to ensure particular scrutiny of central and support services, and back office functions to ensure that maximum resources may be allocated to front-line services.

Outline of Proposals

17. The approach to delivery involves the migration of all transactional services to more automated processes, the migration of all low level professional advice to an advice line service and the implementation of mobile working across housing functions to ensure the best use of frontline working.
18. Consultation has been carried out with residents around the following proposals:
- Creation of a professionally staffed Advice Line to provide advice and support over the telephone
 - Centralisation of income, voids and garages to increase efficiency and performance
 - Further rationalisation and reform of client based services
 - Review and closure of area housing offices and moving to a north/south management structure for tenancy management

19. The savings identified in Appendix B of this report are the £7.0m required to ensure a balanced budget for the HRA in 2011/12 (Appendix A of the Final HRA Rent-Setting and Budget Report 2011/12 considered by Cabinet on 25 January 2011 refers) This is because a number of risks and unknown factors suggest that the HRA in future years will be under considerable additional pressure. Identified issues are:
- Available HRA reserves are at low level, such that they are considered insufficient and well below the level considered prudent for an authority of this size to deal with a contingency.
 - Central government has yet to issue detailed proposals around self-financing which will commence in April 2012. Initial indications are that this will create a difficult position in early years
 - The 'investment gap' in housing capital means that the revenue account must continue to contribute to bridging that gap.
 - Current pressures created by reduced government funding of local authorities are likely to continue into the future and housing services are not exempt from this process.

Housing Management

20. Operationally, the changes proposed are aimed at improving front line services and escalating the modernisation agenda within the Housing service.

Repairs and Maintenance

21. The repairs and maintenance service for both heating and day-to-day jobs is the major priority for the new administration. Residents report that the service is not good enough and customer satisfaction is low. The council's priority is not just to protect these services but to bring them up to a standard of excellence.
22. Residents fed back their concern that too much money is wasted on propping up the inefficiency of third-party contracts and failure to deal with issues at first point of contact. The ongoing costs associated with managing poor performance are a particular source of concern. Although residents appreciate and understand the need to deliver services more efficiently, they asked the council to continue to invest resources in improving the quality of repairs and maintenance contractors and increasing the scrutiny of performance.
23. New contractor financial models are being developed for the repairs and heating contractors that incentivise them to deal with the 280,000 orders they receive each year right first time and at the best possible price. New models will be in place by June 2011 and a large proportion of savings on this service will be delivered by this more efficient method of managing contractors.
24. A new model has been developed for the delivery of voids that will ensure voids are turned around more quickly and at a lower price. This has already saved around £300k in the current year and will continue to contribute towards a large savings target.

25. New technology is being introduced that means field staff have access to up to date and real time information ensuring they are able to respond to and resolve residents issues immediately and without delay. This will also allow us to deploy operatives more quickly and efficiently.
26. Structural changes and contract changes will allow us to increase the number of post inspections of jobs to a 15% sample each month. Additionally, we will deliver the new Administration's commitment to introduce an independent check when post-inspecting the quality of jobs.
27. Better management of contracts will deliver efficiency savings but we are also expecting to make savings from staff and management reductions; however the changes to the structure of technical services will support rather than detract from the improvements to services outlined above. There will be a leaner client - side with contractors managing more of the front end.

Tenancy and Leasehold Management Services

28. Residents have been very clear that they want services to remain accessible. Personal and local contact is important to them and the savings proposals set out ways in which we will continue to deliver locally-based services which are responsive to residents needs.
29. Residents were also very keen that local services become more visible, increasing the amount of time that housing officers spend out on their estates and reinstating local resident liaison. As far as possible, residents wanted frontline services to be protected and for officers to look to achieve efficiency savings from the 'back office' management overheads, stronger contract management and smarter ways of working.
30. Easier access to the service will be provided through a professionally staffed housing advice line. Service levels will be maintained on estate an inspection with the possibility being explored of technical specialism's being introduced into communal repairs and estate inspections. Better targeting and intelligence of tenancy checks will increase recovery with fewer resources. There will be a professional management service for leaseholders with a one stop shop for enquiries and complaints, an enhanced service for those experiencing anti social behaviour and a continued emphasis on providing signposting services to those who are more vulnerable.
31. To pay for continuing high levels of service on the ground, we are proposing reducing the number of area offices, and delivering front line reception services through other local council facilities. Residents have said that a visible presence on estates is important so we plan to supplement access to services with a mobile office that will visit the more distant estates on a regular basis, with regular surgeries and catch up times during the day, and out of working hours.
32. We recognise the need to support local TRAs in their development and project work, and will work with residents to agree how resident liaison support should be delivered in the future.

Accommodation

33. Proposals for the outline management structure for the landlord service are currently being worked on. It is proposed however that the management of housing rent and debt collection, voids and garages be centralised, and based in the Council's Tooley Street office. It is proposed that the current structure, of eight area teams, be reconfigured with a reduced management structure and two teams based in the north and south of the borough. It is proposed that the 'north' team would be based in Tooley Street, and the 'south' team would be based in the new Queen's Road southern 'hub'. An interim 'south' office could be located in the Council's Cator Street premises.
34. Although the back office housing functions would be rationalised, the intention is to deliver a highly visible local service. Mobile working would be encouraged through the purchase of new technology. It is proposed that at least four reception areas would be maintained, the location of which will be the subject of further consultation as required by statute. In addition, we are exploring putting in place a mobile office to serve the whole of the borough delivering front-line services to less mobile residents.

Back Office Functions

35. We propose 4 local office hubs for face to face meetings and reception services with team bases and managers split between Peckham Road and Tooley Street so that both the north and south of the borough are served by local teams.
36. A number of services currently based in the area offices could be delivered more effectively and flexibly if they were managed from the council's Tooley Street base, so it is proposed that the income collection function should come together at that site. In addition, we propose strengthening the level of support available to those who have difficulty paying their rent, through better money advice and access to support services for vulnerable people.
37. The central voids team would be maintained and extended to provide a lettings agency for all council properties. In addition, we propose appointing a dedicated manager to maximise the lettings of garages and professionally market this potentially valuable asset. This will include centralising the management and letting of all garages across the estate.

Aylesbury Estate

38. The regeneration of the Aylesbury estate is a central part of the council's future work. Changing the physical shape of the area and providing good quality new accommodation, bright and attractive public space and a busy neighbourhood with shops and community facilities are all part of the long-term ambitions for Aylesbury. This commitment holds firm and the Council is now actively exploring how the regeneration programme should be taken forward.
39. While all this happens, the immediate needs of residents must be taken into account. The proposal preserves the special management arrangement for this unique estate. The neighbourhood service has been developed with residents and they will continue to play a central role in helping us to manage the estate and the regeneration.

Environment and Community Safety

40. The proposed savings related to Southwark Anti Social Behaviour Unit and the Environmental Enforcement Service, relate directly to the overall changes in the councils general fund. Community safety and enforcement services will be more targeted to the areas, times people and businesses, most affected by crime and nuisance behaviour, either a victims or perpetrators.

Housing Strategy and Options

41. Frontline housing services are provided from the housing options centre, providing a choice based lettings service, and temporary accommodation for homeless households on the council's estates and hostels. Other functions include tenancy sustainment and the strategic co-ordination of the housing investment programme.
42. Within the budget of £6.9m, savings have been identified that contribute to a balanced HRA and aim to protect core frontline services for vulnerable people. Operational reductions focus on more efficient ways of working; making optimum use of the online housing register and reduction in repairs and maintenance whilst ensuring that the Council meets it's statutory and contractual obligations under Section 11 of the Landlord and Tenant Act 1985 and the Council's tenancy terms and conditions.

Home Ownership

43. Appendix A of this report shows that the Home Ownership and Tenant Management Initiatives Division's budgets with some potential for savings are, at £6.0m (or 2.3% of the total HRA), the smallest of all the budget heads. Even within the £6m budget the greater proportion of the expenditure is staff salaries delivering either statutory services (for example the Right to Buy and statutory consultation) or income recovery. Any savings would therefore be marginal and not reflect the ever growing number of homeowners in management.
44. Both the Home Ownership and Tenant Management Initiatives business units have undergone reorganisation within the past year; another fundamental review is not considered appropriate at the current time. Having said this some marginal savings can be made to reflect the lower level of activity in the property market at the current time.

Strategic Services

45. HRA functions that fall within the remit of Strategic Services comprise corporate and departmental overheads, housing subsidy and debt financing, revenue support for the investment programme and financing for major projects. Overall responsibility for the HRA rests with the Finance Director.
46. By far the largest area of expenditure is that of corporate support costs encompassing finance, procurement, HR, legal, IT, accommodation/ facilities, democratic and corporate policy and the customer service centre, for which the HRA bears its proportionate element. The methodology underpinning the reallocation of costs between the HRA and the General Fund has been subject to a thorough review and rebasing during 2010/11 to ensure it is both equitable and accurate and provides greater transparency moving forward.

47. The extent of savings required by the council over the medium term, particularly in corporate support functions is anticipated to result in lower recharges to the HRA. Further detail and clarity is required before this can be calculated precisely, but prudent early estimates indicate £0.4m is deliverable in 2011/12 with greater savings in years two and three. This has been assumed for planning purposes towards meeting the budget gap, along with other specific savings and budget re-alignment.
48. Overall, cost reductions in excess of £1m have been identified for 2011/12, across a broad range of activity, including rationalisation of the finance support function, reduction in the Cashiers SLA charge arising from lower volumes and efficiency gains, pay award provisions no longer required and reduced Thames Water commitments reflecting stock movements. It has also been possible to reduce the level of bad debt provisions required to meet liabilities as a result of improvements in income and arrears management.

Equalities

49. In September 2010, Cabinet agreed seven principles that would guide its decision making on the budget. These budget principles are consistent with the Council's Equalities and Human Rights Scheme 2008-11. One of these principles was to "limit the impact of its budget on the most vulnerable and to being transparent with any specific group or groups of users who may be affected by any cut or reduction in service provision, and to conduct an equalities impact assessment (EqIA) of budget proposals."
50. To this end, as part of the Fairer Future for All budget consultation, the Council has considered impacts on the equalities strands as part of the budget setting process and in accordance with the Council's Equalities and Human Rights scheme.
51. Under equality legislation, the Council must have due regard to the need to: eliminate unlawful discrimination, harassment and victimisation; advance equality of opportunity between different groups; and foster good relations between different groups. The Council also has legal obligations under the Human Rights Act so therefore has to consider the potential impact its decisions could have on human rights.
52. The Council works in accordance with the general equalities duties which are set out in section 71 of the Race Relations Act 1976, section 49A(i) of the Disability discrimination Act 1995 and section 76A of the Sex Discrimination Act 1975 and the requirements of the Human Rights Act. The legislation requires that this duty to pay 'due regard' be demonstrated in the decision making process. Assessing the potential equality impact of proposed changes to policies, procedures and practices is one of the key ways in which public authorities can show 'due regard'.
53. The Equality Act 2010 introduces a new public sector duty that comes into force from April 2011. This extends coverage to age, sexual orientation, pregnancy and maternity, and religion or belief. The Equality Act 2010 protects people from discrimination on the basis of 'protected characteristics'. The relevant characteristics for services and public functions are disability, gender reassignment, pregnancy and maternity, race, religion or belief sex, and sexual orientation.

54. Guidance on the implications of the Equality Act 2010 and the duties it places on the Council has been issued to service departments and members. In preparation for these new duties coming into force, the Equalities and Human Rights Commission recommends that public authorities start to assess the impact their financial decisions might have on the new protected groups where relevant and proportionate.
55. The Council's Equalities and Human Rights Scheme 2008-11 provides the strategic framework for the Council to meet its specific race equality duties, disability equality duties and gender equality duties. Anti-discrimination duties in respect of age, faith or belief, and sexual orientation are also included as strands in the scheme which means that the Council already largely meet the new requirements of the Equality Act 2010 public sector equality duty, with the exception of gender reassignment and pregnancy and maternity.
56. EqIAs need to contain sufficient information, including the demonstration that they are evidence based, to enable the Council to show that it has paid 'due regard' to equality groups in its decision making and identify methods for mitigating or avoiding any adverse impacts.
57. The Council has ensured that the consideration of equality issues has been embedded in the budget setting process. In preparing budget proposals, the Council has paid due regard to the equalities implications, including service changes or reconfigurations. Some of the specific activities undertaken to demonstrate this include:
 - Training of staff and members, including face to face sessions and written guidance to remind them of the requirements of legislation (including Equality Act 2010), and of the Council's Equality and Human Rights scheme 2008-2011.
 - Explicit Cabinet commitment to equalities made through its vision statement, "Fairer Future for All" and its "budget principles".
 - Extensive consultation with residents and staff via a range of forums, with findings from these consultations fed into decision making processes for senior officers and members.
 - Equality impact assessments of departmental budget proposals submitted to Director of Finance and Resources with budget proposals. These documents were the culmination of assessing impacts throughout the process.
58. Equality impact assessments will be undertaken as part of on-going considerations around the implementation of the Council's budget decision. These will be prepared by departments in compliance with current and ongoing policies and procedures. Equality impact assessment will continue to be embedded in the process moving forward.

Community impact assessment

59. This report sets out draft budget proposals for 2011/12. The actions that may be required by the council as a result of the any draft proposals being taken forward are likely to have an impact on local people and communities in terms of service provision and programme delivery. Consultation will be carried out, responses and impact considered when decisions around those services and programmes are proposed.

Consultation on Savings

60. The timescale for the setting of the HRA budget has been exceptionally tight, but a clear commitment has been made to adopt a more open and transparent approach to consulting with residents.

Two main routes for consultation have been adopted.

- Consultation on detailed proposals through the Housing Revenue Account Working Party, a group of involved tenants and homeowners.
 - Consultation on general priorities through the Area Forums and the Home Ownership and Tenants Councils. The results of this exercise are now being collated and will be fed back into the Working Party.
61. This approach will be developed further over the next year, and early input from a wider group of residents sought over a longer period of time to inform the 2012/2013 budget.
62. The HRA working party has considered both the strategic position in relation to the HRA and the more detailed proposals underpinning the budget settlement this year from the housing management, home ownership and community housing services.
63. In terms of the detail of the proposal, the Working Party has made the following comments on the landlord service:
- Centralisation of income – this broad approach agreed with a suggestion that in future years the Strategic Director of Housing consider where this service could be based.
 - Centralisation of garage management – this broad approach agreed as a good way of maximising the income collection from the non residential portfolio.
 - Centralisation of voids management – residents were concerned that the pilot scheme had resulted in a deterioration of the quality of properties being let. In response it was agreed that further analysis of customer satisfaction, complaints and arbitration would take place. Residents suggested that a consolidated process which covered the end to end void and lettings should be considered as it has been successful elsewhere. Officers have undertaken to carry out this work and to feedback to the Working Party.

- Creation of a Housing Advice Line – residents did not agree that this approach would improve the quality of service to residents. There were concerns that in a borough with a large number of vulnerable and disadvantaged people, and with a large number of ethnic minority residents, an over-reliance on telephone contact could disenfranchise a large number of tenants. They asked that consideration be given to improving the quality and level of contact at the front line. In response, the Strategic Director of Housing has agreed that this proposal is reviewed. A new structure and proposal is now in preparation.
- Housing Officers and Customer Services – residents understood the reasons for a streamlined management structure given that a large element of the current area service would be centralised. No concerns were raised about the move to two back office hubs, but residents were concerned about the number of replacement receptions and their potential location in One Stop Shops. If these issues could be addressed, residents would be more inclined to support the proposal. These discussions linked directly to those on the housing officer role, with feedback being that the housing officer service worked well and should not be targeted for reductions.
- Repairs, engineering and investment – residents expressed concern that staff reductions on the client side of these key services could affect the Council's ability to manage contractors effectively. The idea of placing complaints in the hands of contractors was rejected, and consequently this proposal will not be progressed. The Working Party was supportive of the proposed contract efficiency savings and of the increased emphasis on post inspection and quality.

64. The Strategic Director of Housing Services is revisiting these proposals with a view to reducing management costs and increasing the proposed number of housing officers within the structure. The residents' concerns over the direction of travel have been noted and proposals will ensure a high level of face to face contact.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Head of Human Resources

65. The proposals appended require a significant reduction in posts in 2011/12 arising from the HRA savings programme. In implementing these savings management will look first at vacancies (a selective recruitment freeze has been in place for 2 years), and agency / temporary staff cover, as well as natural wastage. The Council has tried and tested procedures to manage workforce change and is preparing to provide greater emphasis on the redeployment process, supporting staff and in mitigating redundancies.
66. There are some underlying principles that the Council will aim to maintain through this period of significant change whilst trying to ease the financial pressures over the medium term:
- To maximise opportunities for redeployment utilising the existing workforce positively to meet future needs.

- To promote innovation and voluntary schemes which contribute to the reduction of the overall paybill for example through flexible working, flexible retirement; and to facilitate fast track approval.
- To aim to maintain our standing as a good employer and as an employer of choice.
- To continue to provide opportunities to refresh the workforce through apprentices, trainees etc. and employ high quality specialist staff to critical hard to fill roles, particularly as recruitment is curtailed.
- To implement a framework for managing and learning from change process, overcoming barriers and emphasising the positive aspects.
- To undertake equality impact assessments at all critical stages of the change process.
- To continue to invest in learning and development; and provide accessible, targeted and high quality corporate learning, targeting skills maximisation, leadership capacity and nurturing career development.
- To sustain a remuneration strategy that supports organisational objectives and is affordable, perceived as fair and retains a diverse motivated workforce.
- To review top pay in line with Hutton inquiry report (due March 2011); and review the application of terms and conditions and discretionary elements to ensure they are contemporary and fit for purpose.
- To continue to make progress in key areas of sickness management and agency controls.

Strategic Director of Communities, Law & Governance

67. Statutory requirements as to the keeping of a Housing Revenue Account are contained in the Local Government and Housing Act 1989. The provisions include a duty, under Section 76 of the Act, to budget to prevent a debit balance on the Housing Revenue Account and to implement and review the budget.
68. Section 105 Housing Act 1985 requires the council to consult with its secure tenants on matters of housing management, which in the opinion of the council as landlord represents a new programme of maintenance, improvement or demolition, or a change in the policy or practice of the authority and is likely to substantially affect either secure tenants as a whole or a group of them.
69. To meet legal requirements consultation must:
 - be undertaken when the proposals are still at a formative stage,
 - include sufficient details and reasons for the proposals to allow any interested party the opportunity to consider the proposals and formulate a response and

- allow adequate time for interested parties to consider the proposal and formulate their response.
70. The report refers to consultation carried out to date and recognises the need for further consultation. Details of the statutory consultation and responses will need to be fully considered when decisions around the services and programmes are made in due course.
 71. When taking a decision on the recommendations the Cabinet should consider the outcome of the consultation including representations made by secure tenants and also take into account all other relevant considerations in accordance with general administrative law principles to ensure the decision is not vulnerable to challenge.
 72. The Council has statutory and contractual obligations to repair and maintain its dwellings imposed by Section 11 of the Landlord and Tenant Act 1985 and by virtue of its Tenancy terms and conditions.
 73. The report recognises that when making any reduction in repairs and maintenance that the Council must ensure it meets both its contractual and statutory duties in this regard.
 74. Positive equalities obligations are placed on local authorities sometimes described as equalities duties with regard to race, disability and gender.
 75. Gender equalities duties were introduced by the Equality Act 2006, which amended the Sex Discrimination Act 1975. The general duties in summary require local authorities to have due regard to the need to:
 - (a) “eliminate unlawful discrimination and harassment and
 - (b) Promote the equality of opportunity between men and women.”
 76. Race equality duties were introduced by the Race Relations Amendment Act 2000 which amended the Race Relations Act 1976. The general duties in summary require local authorities are required to give due regard to the need to:
 - (a) “eliminate unlawful discrimination and harassment
 - (b) promote the equality of opportunity and
 - (c) promote good race relations between people of different racial groups”
 77. Disability equality duties were introduced by the Disability Discrimination Act 2005 which amended the Disability Act 1995. The general duties in summary require local authorities to carry out their functions with due regard to the need to:
 - (a) “promote equal opportunities between disabled persons and other persons
 - (b) eliminate discrimination that is unlawful under the Act

- (c) eliminate harassment of disabled persons that is related to their disabilities
- (d) promote a positive attitude towards disabled persons
- (e) encourage participation by disabled persons in public life and
- (f) Take steps to take account of disabled person's disabilities even where that involves treating disabled persons more favorably than other persons."

78. As set out in the equalities section of the report section 71 of the Race Relations Act 1976, 49A(i) of the Disability Discrimination Act 1995 and 76A of the Sex Discrimination Act 1975, require local authorities to act in accordance with the equalities duties and have due regard to these duties when we are carrying out our functions, which includes making decisions in the current context.
79. The report author refers to the fact that equalities have be considered as part of the budget setting process and that equalities impact assessments have been and will be undertaken. Equality impact assessments are an essential tool to assist councils to comply with our equalities duties and to make decisions fairly. The council's equalities and human rights impact assessment process goes beyond our current equalities duties to incorporate religion/belief, sexual orientation and age.
80. The Equality Act 2010 does not come into effect in relation to public sector equalities duties until April 2011. However in line with good practice equalities and human rights impact assessments will be carried out mindful of the protected characteristics.
81. The Head of Human Resources section notes that some of the proposals require a reduction in posts and therefore present employment law implications. It is proposed that the focus is on redeployment and other strategies to mitigate redundancies. It is important that decisions are taken in accordance with the council's Reorganisation, Redeployment and Redundancy Procedure and other relevant human resources procedures so that we act in accordance with employment legislation.
82. One of the underlying principles is that equalities impact assessments are carried out at critical stages so that we have due regard to the equalities implications of the proposed staffing changes and comply with our equalities duties.

Finance Director

83. The council's requirement to set a balanced HRA budget is met by the identification and application of these savings and improvements to Appendix A of the Cabinet report 'HRA Final Rent-Setting and Budget' considered on 25 January 2011.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
HRA Final Rent-Setting and Budget Report 2011-12 (Cabinet 25 January 2011, item 7)	160 Tooley Street SE1 2TZ	Shaun Regan 020 7525 7771
Equalities Impact Assessment on Housing Management Proposals	160 Tooley Street SE1 2TZ	Antoinette Stasaitis 0207 525 7713

APPENDICES

No:	Title:
Appendix A	Housing Revenue Account – Indicative Budget 2011/12
Appendix B	Housing Revenue Budget Movements 2010/11 To 2011/12
Appendix C	Detailed timeline of EqIA of budget

AUDIT TRAIL

Cabinet Member	Councillor Ian Wingfield, Deputy Leader and Cabinet Member for Housing	
Lead Officers	Gerri Scott, Strategic Director of Housing Services and Duncan Whitfield, Finance Director	
Report Authors	Gerri Scott, Strategic Director of Housing Services and Ian Young, Head of Housing Finance	
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Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS/DIRECTORATES/CABINET MEMBER		
	Officer Title	Comments Sought
		Comments included
	Head of Human Resources	Yes
	Strategic Director of Communities, Law & Governance	Yes
	Finance Director	Yes
	Cabinet Member	Yes
	Date final report sent to Constitutional Team	28 January 2011