

Item No. 9.	Classification Open	Date: 24 January 2012	Meeting Name: Cabinet
Report title:		Housing Revenue Account – Final Rent-Setting and Budget Report 2012/13	
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

In December I introduced an Indicative HRA budget and rent-setting report to Cabinet and noted that I had appealed to the Minister for Housing for help in offsetting the steep rent increase demanded as a by-product of high inflation rates earlier this year. The Minister has replied, and I have instructed officers to include his reply within this updated HRA budget report. There are warm words regarding the difficulties that both tenants as individuals and we as their landlord face, but nothing in the way of positive action. This is a matter of regret, and is markedly different from the position adopted by the last government on a number of occasions.

As an organisation, Southwark has always supported the principles behind the freedoms that self-financing brings, but officers have made a number of technical observations regarding the assumptions behind the figures within the draft settlement, and the council's response is also attached to this report. The stakes are high, and the importance of commencing self-financing from a position that does not impede our ability to deliver services to all our residents cannot be overstated.

I noted last time that the rent rise for April 2012 was significant, but I can now add that it appears to be within the broad spectrum of increases, both nationally and within London. This does not excuse the need to continue to pressure government on tenants' behalf, but hopefully places the increase in context. Southwark has been able to react to this locally by freezing other charges more directly under our control for next year, and I will ensure that the HRA budget will continue to be challenged and held to the same levels of scrutiny as the rest of the council's services.

RECOMMENDATIONS

Cabinet is recommended to:

1. Approve an average rent increase of 7.96% in accordance with the government's required formula rent guidance to be applied to all HRA dwellings as set out in paragraph 12. This is equivalent to an increase of £6.78 per week on average for tenanted properties, with effect from 2 April 2012. Average budgeted dwelling rent for 2012/13 will be £91.94 per week. This percentage increase is also to be applied to estate void and hostel properties from 2 April 2012.

2. Instruct officers to carry out further evaluation regarding implementing a policy of setting rents for new-build and new-let tenancies at formula rent levels (paragraph 13).
3. Set tenant service charges at the same level as 2011/12 as set out in paragraph 15 with effect from 2 April 2012.
4. Set the standard charge for non-residential property at the same level as 2011/12, but with revisions to the concessionary rates applicable and the introduction of a new rate for private sector garage renters as set out in paragraphs 16 to 27 with effect from 2 April 2012.
5. Approve a further standstill in heating and hot water charges for 2012/13 such that each charge remains at the rate determined for 2009/10, 2010/11 and 2011/12 (as set out in paragraph 28).

BACKGROUND INFORMATION

Context

6. Cabinet on 13 December 2011 considered the Indicative HRA Rent-Setting and Budget position for 2012/13. This report contained all of the background information necessary to consider the reasons behind the proposed changes to rents and other charges, and set out the effect of detailed information issued by central government in November 2011 regarding the new self-financing regime and its effect on Southwark's HRA. It is not proposed to repeat this detail here, but where further and updated information has been received that is germane to this process it is outlined below. Officers will provide a formal report of any resolutions from Tenant Council, Home Owner Council and area housing forums at the Cabinet meeting.
7. The purpose of this report is to seek formal approval of the recommendations in respect of rents and other charges outlined at paragraphs 1 to 5 above.

Statutory framework

8. 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 (until March 2012), leaseholder service charges and other income. The HRA forms a specific part of the council's accounts, and a report regarding the general fund budget is being considered separately.

9. Local authority social housing will be supported by central government in a new way from 1 April 2012, as the housing subsidy system is replaced by one based on debt levels set centrally to enable self-financing. Appendix A lists the various determinations from government that have been subject to consultation in order to facilitate this change. In the past the council normally made representations as appropriate during the consultation period for the Subsidy determinations. As it is particularly important for the position at the commencement of self-financing to be as robust as possible in terms of Southwark's ability to deliver services within the new financial framework, officers made a detailed submission to CLG in response to the request summarised at Appendix A, which is attached for information as Appendix B.
10. Whilst there is no statutory requirement to consult, the council is committed to engaging with stakeholders, particularly under the terms of the Tenancy Agreement, and so the Indicative Report (13 December 2011) formed the basis of early consultation with Tenant Council, area housing forums and Home Owner Council. This process commenced before Christmas 2011, and continued throughout January 2012.
11. The council is obliged by statute to agree a balanced HRA budget, whereby income and expenditure levels for the forthcoming year match. Appendix C summarises the key budget movements between 2011/12 and 2012/13. A key assumption is that unavoidable expenditure and other commitments, together with additional income generated by means of the rent and charges proposals elsewhere in this report will have to be supplemented by efficiency savings to the tune of £6.4m in order to balance, which are set out in Appendix D. This schedule was prepared with reference to the major consultation exercise on budgets over a three-year planning horizon that the council undertook last winter.

KEY ISSUES FOR CONSIDERATION

Annual rent guideline and formula rent

12. The Indicative Report (13 December 2011) set out existing arrangements for national rent-setting under the Government's rent restructuring policy, and the rent increase likely to result under the terms of the draft HRA determination. This determination will be finalised during January 2012.

Average Rent Inflation	2011/12 Final	2012/13 Draft	2012/13 Final
Inflation Uplift (RPI @ September)	4.60%	5.60%	5.60%
Top-Up Element	0.50%	0.50%	0.50%
= Increase in Formula Rent	5.10%	6.10%	6.10%
plus national convergence element	1.70%	1.74%	tbc
= Increase in National Guideline Rent	6.80%	7.84%	tbc
plus local convergence element	0.93%	0.63%	tbc
less annual affordability limits	(0.66%)	(0.51%)	tbc
= Total Increase in Actual Rents	7.07%	7.96%	tbc

13. It is increasingly common for local housing authorities to place newly-relet and new build properties directly on target rent levels in order to reflect the added value of a newly created/refurbished property compared to others within the dwelling stock, and to generate additional income for the HRA prior to overall convergence being achieved. For Southwark in 2012/13, this would be an uplift in the average rent for these properties from £91.94 to £101.52 (+10.4%). There are currently up to 2,000 void properties within the dwelling stock which would potentially be available for this treatment. However, there is some work to be done in further analysing and refining these figures, and officers also wish to exclude tenants decanted from redevelopment properties from this provision on fairness grounds. The Director of Housing Services therefore intends to address this issue in greater detail during 2012, including an assessment of the broader policy implications of such a move.
14. The Deputy Leader and Cabinet Member for Housing Management wrote to the Minister for Housing and Local Government on 18 November 2011 once the September RPI figure had been published, and the implications for rent increases across the local government sector had been absorbed; with the purpose of highlighting concerns and asking for positive intervention from the government. He drew the attention of Cabinet to this letter in his Foreword to the December Report. The Minister replied on 7 December, but whilst acknowledging the legitimacy of the matters raised, was not able to offer anything in the form of tangible relief. The exchange of correspondence is attached as Appendix E.

Tenant service charges

15. The council does not intend to increase tenant service charges. They remain at the current rates as shown in the table below.

	2012/13 £ per week
Estate Cleaning	4.60
Grounds Maintenance	1.09
Communal Lighting	1.17
Door Entry	0.68
Total	7.54

Non-residential rents and charges

History

16. The provision of garages within Southwark has been a source of concern for some time. Underinvestment has led to widespread disrepair and void levels, and as a consequence the council has been keen to investigate alternative means of “re-invigorating” the service.
17. One such option was to introduce a scheme of differential charging within the borough, and officers worked up proposals on this basis during 2010. However, feedback from residents was overwhelmingly negative regarding this, and as noted in the HRA Budget reports to Cabinet in December 2010 and January 2011, this initiative was not pursued further.

18. In 2011, it was recognised that the service could not be left to decline further, and so proposals for a 50% increase in charges to generate the income necessary to fund investment in the garage stock were tabled. There was also acknowledgement that the 50% increase, which on average equated to around £6 per week needed to recognise the various needs of disadvantaged groups within the likely user base. With this in mind, a concessionary rate was proposed, to be applicable to two qualifying groups: the over-seventies, and those in possession of a “blue badge” indicating receipt of mobility allowance.

Take-up

19. Original projections regarding the take-up indicated that concessions would likely run to around 12% of the stock (at that time some 500 properties). However, as 2011/12 progressed, it became increasingly clear that the concessionary rates were particularly popular, with a significant number of garages being surrendered and then “made over” to qualifying members of the same family. There are currently circa 1,100 concessionary rents granted - 60% elderly, 40% disabled and around 10% fall into both categories.

Budget impact

20. The original intention was that the £5 figure would apply as a discount to the 2011/12 standard charge of £18.62 per week such that its application would be broadly cost neutral for the recipients. It is now accepted that the phrasing of this proposal within the reports considered by Cabinet in December 2010 and January 2011 should have been more definitively stated as forming a discount from the standard charge, as opposed to a flat rate charge. What is clear is that the intended recipients of the policy and the budgetary impact of the change did not materialise as expected. The loss of income arising from this initiative exceeds the budget by £0.4m, but is being mitigated through savings elsewhere in the HRA. However, given that this income was to be earmarked for further investment in the relevant stock, this has clear implications for the ongoing viability of the policy. The proposed change is an attempt to ameliorate this situation.

Future plans

21. The scale of the concessionary charge take-up is such that it risks undermining the original intention of the rise in the standard rate – to enable re-investment and regeneration of the existing garage stock. Whilst preserving the standard charge at current levels – i.e. there is no change to the rate paid by the majority of garage users there are three amendments to the charging scheme, two of which affect the concession:
- The council in consultation with the Garages Working Party have agreed the introduction of a “private sector rent” of £27.50 per week. This is the best estimate of the lowest market rate that can be achieved in the borough at the present time. In the longer term, it has also been agreed to explore the potential for differential market rents depending on geographical location for private sector renters. Work will be carried out during 2012/13 to investigate what the market rents are in the various parts of the borough. The working definition of which groups should be considered as “private sector renters” has also been agreed with representatives of the working party.

- The concessionary charge for the disabled (blue badge holders) will continue, but it will no longer be a rent of £5 per week, rather a reduction of £5 per week from the standard rent as originally envisaged by the Garages Working Party and the council. Blue badge holders receive mobility allowance (at either the higher or lower rate) which is meant to meet the costs associated with disability/mobility issues.
- The concessionary rent will be withdrawn for the over seventy year-old group. There has been widespread concern about the £5 per week rent for this group when others (including pensioners aged 65 – 70) are paying the standard rent of £18.62. Moreover, in the past year the introduction of this concession has seen many garages vacated only to be re-let to more elderly family members at the more advantageous rate, leading to an anomalous situation not linked to affordability.

Investment to date

22. Notwithstanding the under-achievement of budgeted income referred to above, it is important to emphasise that the programme of reinvestment in the garage stock has begun bringing dilapidated stock back into use. Existing budget provision has allowed a limited programme of works such as Nutwood Street and Aberfeldy House, John Ruskin Street to be completed and other works are pending in Andrews Walk (together comprising 2% of the total stock). In addition, security works at Hawkstone Estate and Maydew House contain proposals for garage improvements which are integral to the wider scheme and funded from the Housing Investment Programme. Officers intend to undertake an assessment of storage facilities and usage within the stock to determine the optimum investment returns for the HRA as a whole.

Consultation

23. The council re-established a Garages Working Party, with representatives from both Tenant Council and Home Owner Council, which met to consider all issues arising from the proposed re-invigoration of the service, including investment needs and funding proposals. Their most recent meeting was on 6 December 2011, the outcomes from which were too late to be incorporated in the Indicative HRA Budget and Rent-Setting Report considered by Cabinet on 13 December.
24. The Group accepted the need to revisit the effect and application of the two concessions available since April 2011, and the relevant minute of the meeting states:

“A series of decisions were agreed between the group:

- *Concessionary charges for those over 70 would be phased out by 1st April 2012.*
- *Concessionary charges for blue badge holders will remain – but only for resident Southwark secure tenants, leaseholders and freeholders paying a service charge. Any blue badge holders who do not fall into these categories will be excluded.*
- *The new concessionary rate would be a £5 deduction from the weekly rent, as opposed to a total rent of £5pw.”*

25. Additionally the Garages Working Party agreed a figure of £27.50 per week as the proposed private sector rent.
26. The proposals generated via the Garages Working Party have been reported back to both Tenant Council and Home Owner Council. Tenant Council at its meeting on 9 January 2012 decided to consider the matter further at a later meeting in January 2012 after detailed consideration by area housing forums. Home Owner Council at its meeting on 10 January 2012 resolved to:
 - Express concern as to the proposed changes to the concessions; and
 - Suggested that instead, a compromise rate of £10 per week be substituted for the current £5 in order to reflect the under-funding concerns.

Equalities issues

27. Given that the intention of the concessions in the first instance was to represent the needs of the particular groups concerned, it is important that any proposed revisions to the arrangements also reflect this. The communities impact statement for this report as a whole therefore contains specific elements relating to the proposed changes to the concessionary garage rates.

District heating charges

28. Charges for heating and hot water were last increased in April 2009. Despite continuing volatility in the markets for energy supply the Indicative Report anticipated another year of no increases in this regard. The council reviews charges annually to ensure that within the context of the current four-year flexibly-priced gas supply contracts, charges are set at a level which is likely to be maintained within the currency of the contract. This may not always be the case – particularly in the latter stages of the contract period – but the council is able to maintain this position for 2012/13, and so no increase in these charges is recommended. Any surplus generated within the heating account during the four-year currency of these charging levels will be applied to mitigate any increase which would otherwise be necessary once a new contract commences.

Thames Water

29. Water and sewerage charges applicable to council dwellings will be subject to an increase from April 2012. Following approval by the regulator Ofwat notification of the increase will be advised in the next few weeks by Thames Water, on whose behalf the council act as agent for billing and collection.

Financial implications

30. The HRA continues to be under pressure, particularly in the early years of self-financing. The Government effectively operates control over rent policy, through the rent restructuring regime and has calculated Southwark's debt settlement adjustment on the assumption that rent levels match those imputed by full adherence to the national rent policy.

31. For 2012/13, the HRA final budget includes a range of measures, including increases in rents and improved voids management generating greater income. As indicated in Appendix C, this leaves a gap of £6.4m which for the purpose of presenting a balanced budget, will be met by a package of efficiency savings. It is anticipated that these may be delivered through revised and more efficient working across housing services, together with further contract and supply chain improvements. Appendix D is a schedule listing these savings. Re-profiling and re-direction of resources provides the flexibility to target those areas of highest priority/greatest need. In 2011/12, the council contributed sums into reserves in order to prudently manage the scarce resources available and to cover exceptional cost items now and in the future. This policy will continue in 2012/13. Any updated information regarding commitments and unavoidable demands which has become available since the Indicative Report was published has been incorporated into Appendix C as appropriate.
32. The composition of the savings package was dependent in part on consultation outcomes, though the Indicative Report set out the broad direction of travel required to meet the budget gap. Indicative budgeted expenditure and income for 2012/13 is represented in pie chart form in Appendices F and G respectively; Appendix H indicates the changes between the revised base budget for 2011/12 and the proposed base for 2012/13.

Localism Act, self-financing and the HRA business plan

33. The Indicative Report contained a detailed appendix setting out the impact of government calculations to enable moving from a subsidy-based financial system to one of self-financing for local authority housing revenue accounts, as provided for under Part 7 of the Localism Act 2011.
34. The settlement from CLG, issued in draft form for consultation on 21 November 2011 is to be confirmed during January 2012 and will determine the amount of Southwark's historic HRA debt to be written down by the government on 28 March 2012, in time for the self-financing arrangements to commence on 1 April. The new level of debt has been modelled by CLG to be sustainable over a thirty-year business planning timescale.
35. The assumptions that underpin the financial model for the HRA business plan have been subject to a process of consultation and challenge between central government and local housing authorities, and officers consider that the council would be best served if any initial operation of the HRA under the new arrangements be subject to a specific and more detailed report back to Cabinet. As governance arrangements for the business plan will be a key aspect of this report, it is sensible to time this to complement any considerations of this area by the Housing Commission, which is tasked with reporting back to Cabinet in autumn 2012.

36. In December 2011, Cabinet agreed the establishment of the Housing Commission, and the following is an extract from the report of the Chief Executive from that meeting on the policy implications of this decision:

“The Commission will be undertaking its work within the framework of the council’s and government’s existing policies.

Of particular reference in this area are local and central policies on rent, lettings, allocations, tenure and ownership and Housing Revenue Account (HRA) reforms...

There will be synergy with existing proposals to develop a thirty year asset management plan for the borough, which will dovetail with the work of the Commission, The policy aim is that the Commission’s work should both complement and constructively challenge the council’s ongoing business delivery.”

37. The Localism Act covers a wide range of local authority activity and arrangements regarding the sector’s relationship both with central government and residents in addition to the provisions specific to HRA reform.
38. The Spending Review 2010 included monies to deliver the Decent Homes Backlog Programme, and following a bidding process allocations per local housing authority were issued. At that time, the figures for the latter two years of the four-year programme (2013/14 and 2014/15) were described as ‘provisional’. That status has not as yet been confirmed. Nationally this programme is administered by the Homes and Communities Agency (HCA), but in London this responsibility must be discharged in consultation with the Mayor of London. For reference the allocations for Southwark are as noted below:

Year	Allocation
2011/12	–
2012/13	£11.25m
2013/14	£15.00m
2014/15	£50.69m
Total	£76.94m

Community impact statement

39. 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; advance equality of opportunity between different groups; and foster good relations between different groups. Guidance on the implications of the Equality Act and the duties it imposes on the council has been issued to service departments and members.
40. In September 2010, Cabinet agreed seven principles that will guide its decision making on the budget. Council Assembly added to this in July 2011 by agreeing the policy statement “A Fairer Future for All”, and both these statements were appended to the Indicative Report in December for reference.

41. Consideration has been given to the reports relevance to equality issues in accordance with the public sector equality duty. This report is primarily to set rents and associated charges; a scoping exercise established that there is no differential effect on residential rents or associated charges for any community or protected group. It is recognised however that increases in rents and charges may present particular difficulties for people on low incomes. However rents and tenant service charges remain eligible for housing benefit, as the Minister notes in his letter (Appendix E):

“For those eligible, Housing Benefit will continue to meet the costs for tenants who cannot afford to pay”

42. The intention of this report is to provide Cabinet with a balanced HRA budget for statutory purposes and the composition of efficiency savings required to set that budget is set out in Appendix D; which was determined with reference to wide-ranging consultation exercises that the council undertook in December 2010/January 2011, and an ongoing revisiting of that exercise with stakeholders as listed in the next section. A separate equality impact analysis has been undertaken in order to ascertain the potential impacts of these efficiency savings on each of the protected categories. Consequently, measures to mitigate potential effects on the community will be implemented in order to maintain the standard of service.
43. The report refers to concessionary rates in relation to non-residential rents and charges which are explained in paragraphs 16 to 27 and takes into account the different needs where appropriate of protected groups. At the Garages Working Party on 6 December 2011 the effect of the decisions around the concessionary charge were considered in detail:
- It was noted that of the circa 1,100 concessionary rents some 60% were in respect of renters of seventy years of age and over; and that many were new lettings where the previous tenancy had been to a family member under the age of seventy. It was noted that there was no means testing for the concessionary rent and that age was not a realistic measure of disposable income when also taking into account that the garage renter could afford to own and run a motor vehicle. The alternatives of being able to get a ‘free’ parking permit for parking on the estate, or a resident permit for the highway was available as for other seventy year-old motorists elsewhere in the borough; and
 - The reduction in the concession for disabled persons was agreed. It was considered that since recipients of the disabled persons concession would also be in receipt of mobility allowance, the current arrangements would lead to a duplication of the assistance granted to reflect their particular needs regarding mobility costs.

Consultation and notification

44. The purpose of presenting rent-setting and budget information to Cabinet in two stages was to facilitate the early commencement of consultation with residents (i.e. before the Christmas break). To that end, the first report was labelled 'Indicative' and figures therein were all subject to change. The sections in this Final Report have set out such changes as are required to provide the HRA with a balanced budget for 2012/13. Specific feedback has been reflected in the relevant sections earlier in the report, where time constraints have allowed.

Savings Panel

45. Tenant Council and Home Owner Council established a joint residents working party to look at savings proposals and other resourcing and service delivery issues for the HRA in more detail throughout 2011. Principal amongst their considerations has been an independent report, commissioned by the Finance Director, conducted by Grant Thornton into the various direct charges and recharges borne by the HRA from the council's general fund. This report is to be referred to the Housing and Community Safety Scrutiny Committee in February 2012 for information.

Tenant Council

46. Tenant Council met on 9 January 2012 to consider the Indicative Rent-Setting and Budget Report, and to refer it on to area housing forums. They reconvened on 23 January 2012 to consider any recommendations arising from the area forum consultation, and wider HRA budget consultation outcomes, where available; and make consolidated recommendations to Cabinet, which due to time constraints are reported under separate cover.

Home Owner Council

47. Home Owner Council are unable to make recommendations in the matter of tenant rents and service charges, but may do so in terms of any proposals regarding non-dwellings rents and other charges and in terms of the rest of the HRA Budget; and so the Indicative Report was considered at their meeting of 10 January 2012. Comments on garages are noted in paragraph 26 above and will also be reported to Cabinet alongside those of Tenant Council.

Statutory and Contractual Notifications

48. Subsequent to the approval of the Final Report on 24 January, 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 commencement of the new rents and charges referred to above.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Communities, Law & Governance

49. Statutory requirements as to the keeping of a Housing Revenue Account (HRA) 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 HRA and to implement and review the budget.
50. On 15 November 2011 the Localism Act (the Act) was enacted. Relevant to the matters set out in this report are the provisions relating to housing finance in Sections 167 to 175 contained within Chapter 3 of Part 7 of the Act. In short these provisions introduce a new system of council housing finance that will end the current Housing Revenue Account subsidy system in England and replace it with self-financing arrangements. To facilitate this, the provisions in Chapter 3 set out the framework for the calculation of a 'settlement payment' with respect to each local housing authority by way of Secretary of State determination. It is provided that the Secretary of State must consult before making a determination. Details of the determinations consulted on by the Secretary of State and the council's response are contained in this report.
51. This report includes recommendations on the charges made by the council in respect its HRA residential accommodation. 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 arising from the self-financing determinations referred to in within this report.
52. 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 is taking place in order to comply with this term.
53. 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.

54. The Equality Act 2010 introduced a single public sector equality duty. As noted at paragraph 39 of the report this duty requires us to have due regard in our decision making processes to the need to:
- (a) Eliminate discrimination, harassment, victimisation or other prohibited conduct;
 - (b) Advance of equality of opportunity between persons who share a relevant protected characteristic and those who do not share it; and
 - (c) Foster good relations between those who share a relevant characteristic and those that do not share it.
55. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. The duty also applies to marriage and civil partnership, but only in relation to (a) above.
56. The Council is required to act in accordance with the equality duty and have due regard to the duty when carrying out its functions, which includes making decisions in the current context. The Cabinet must consider the report author's reference to equalities considerations at paragraphs 39 to 43 of this report.

Finance Director

57. The financial implications arising from the various self-financing determinations from central government, and movements in expenditure/income on the HRA are covered within this report.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Establishment of a Housing Commission for Southwark (<i>Cabinet 13 December 2011, item 9</i>)	Corporate Strategy 160 Tooley Street SE1 2QH	Stephen Gaskell 020 7525 7293
HRA Indicative Rent-Setting and Budget Report 2012-13 (<i>Cabinet 13 December 2011, item 11</i>)	Housing Finance 160 Tooley Street SE1 2QH	Shaun Regan 020 7525 7771
Consultation on the draft determinations to implement self-financing for council housing (<i>Communities and Local Government Department 21 November 2011</i>)	As above	As above
Response to consultation on the draft determinations	As above	Andrew Murray 020 7525 7731
Localism Act 2011 (c.20)	As above	Shaun Regan 020 7525 7771

APPENDICES

No.	Title
Appendix A	Government Determinations under Consultation during December 2011
Appendix B	Southwark response to CLG Consultation
Appendix C	HRA Proposed Budget Movements 2011/12 to 2012/13
Appendix D	Savings Schedule 2012/13
Appendix E	Correspondence between Councillor Ian Wingfield and Grant Shapps MP
Appendix F	HRA Expenditure Budget 2012/13 Pie Chart
Appendix G	HRA Income Budget 2012/13 Pie Chart
Appendix H	HRA Base Budgets 2011/12 and 2012/13

AUDIT TRAIL

Cabinet Member	Councillor Ian Wingfield, Deputy Leader and Cabinet Member for Housing Management		
Lead Officer	Duncan Whitfield, Finance Director		
Report Author	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
	Strategic Director of Communities, Law & Governance	Yes	Yes
	Finance Director	N/a	N/a
	Cabinet Member	Yes	Yes
	Date final report sent to Constitutional Team		12 January 2012