



TENANTS' AND LEASEHOLDERS' CONSULTATIVE FORUM

**THURSDAY 6 JANUARY 2005
7.30 PM**

FORUM AGENDA (CONSULTATIVE)

**COMMITTEE ROOMS 1 & 2
HARROW CIVIC CENTRE**

MEMBERSHIP (Quorum 3 Council Members)

Chair: Councillor Currie

Councillors:

Margaret Davine

**Billson
Knowles**

Representatives of Individual Housing Estate Tenants' and Residents' Associations

Reserve Members:

1. O'Dell
2. Burchell
3. Gate

1. Harriss
2. Mary John
3. Mrs Joyce Nickolay

**Issued by the Democratic Services Section,
Legal Services Division**

**Contact: Gertrud Malmersjo, Committee Administrator
Tel: 020 8424 1785 E-mail: gertrud.malmersjo@harrow.gov.uk**

***NOTE FOR THOSE ATTENDING THE MEETING:
IF YOU WISH TO DISPOSE OF THIS AGENDA, PLEASE LEAVE IT BEHIND AFTER THE MEETING.
IT WILL BE COLLECTED FOR RECYCLING.***

HARROW COUNCIL

TENANTS' AND LEASEHOLDERS' CONSULTATIVE FORUM

THURSDAY 6 JANUARY 2005

AGENDA - PART I

1. **Appointment of Chair:**

To note the appointment at the meeting of the Cabinet on 11 November 2004, of Councillor Bob Currie as Chair of this Forum for the remainder of the Municipal Year 2004/05.

2. **Attendance by Reserve Members:**

To note the attendance at this meeting of any duly appointed Reserve Members.

Reserve Members may attend meetings:-

- (i) to take the place of an ordinary Member for whom they are a reserve;
- (ii) where the ordinary Member will be absent for the whole of the meeting; and
- (iii) after notifying the Chair at the start of the meeting.

3. **Declarations of Interest:**

To receive declarations of personal or prejudicial interests, arising from business to be transacted at this meeting, from all Members present.

4. **Arrangement of Agenda:**

To consider whether any of the items listed on the agenda should be considered with the press and public excluded on the grounds that it is thought likely, in view of the nature of the business to be transacted, that there would be disclosure of confidential information in breach of an obligation of confidence or of exempt information as defined in the Local Government (Access to Information) Act 1985.

5. **Appointment of Vice Chair:**

To appoint a Vice-Chair of the Forum for the remainder of the Municipal Year 2004/2005.

Enc. 6. **Minutes:** (Pages 1 - 4)

That the minutes of the meeting held on 13 October 2004, having been circulated, be taken as read and signed as a correct record.

Enc. 7. **Matters Arising from the Last Meeting:** (Pages 5 - 8)

Report of the Acting Head of Housing Services.

8. **Public Questions:**

To receive questions (if any) from local residents or organisations under the provisions of Committee Procedure Rule 15 (Part 4E of the Constitution).

9. **Petitions:**
To receive petitions (if any) submitted by members of the public/Councillors under the provisions of Committee Procedure Rule 15 (Part 4E of the Constitution).
10. **Deputations:**
To receive deputations (if any) under the provisions of Committee Procedure Rule 16 (Part 4E of the Constitution).
11. **References from Other Committees:**
- Enc. (a) Reference from the meeting of Cabinet held on 16 December 2004:2005-06 Budget and Medium Term Budget Strategy 2005-06 to 2007-08 (Pages 9 - 54)
- Enc. 12. **Revisions to Tenancy Agreement/ Revisions to the Garage Licence/ Timetable for Introductory Tenancies:** (Pages 55 - 76)
Report of the Acting Head of Housing Services.
- Enc. 13. **Options Appraisal:** (Pages 77 - 80)
Report of the Acting Head of Housing Services.
- Enc. 14. **Matters Raised by the Cottesmore Tenants and Residents Association:**
(Pages 81 - 82)
- Enc. (a) Report of the Acting Head of Housing Services. (Pages 83 - 88)
- Enc. 15. **Matters Raised by the Eastcote Lane Tenants and Residents Association:** (Pages 89 - 90)
- Enc. (a) Report of the Acting Head of Housing Services. (Pages 91 - 94)
16. **Questions from Tenants/Leaseholders:**
(If any)
17. **Any Other Business:**
Which the Chair has decided is urgent and cannot otherwise be dealt with.
18. **Date of Next Meeting:**
To note that the next meeting of the Forum is due to be held on 3 March 2005.

AGENDA - PART II - NIL

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TENANTS' AND LEASEHOLDERS' CONSULTATIVE FORUM

13 OCTOBER 2004

- Chair: * Councillor Currie
- Councillors: * Billson * Knowles
 * Margaret Davine

* Denotes Member present

Tenant and Leaseholder Representatives

Representatives from the following Associations were in attendance:-

- Antoneys Close Tenants' and Residents' Association
- Brookside Close Tenants' and Residents' Association
- Woodlands Community Association
- Harrow Federation of Tenants' and Residents' Associations
- Miscellaneous Properties Residents' Association
- Alexandra Avenue Tenants' and Residents' Association
- Cottesmore Tenants' and Residents' Association
- Eastcote Lane Tenants' and Residents' Association

(In total, 17 Tenants/Representatives attended).

PART I - RECOMMENDATIONS - NIL

PART II - MINUTES

163. **Attendance by Reserve Members:**

RESOLVED: To note that there were no Reserve Members in attendance at this meeting.

164. **Declarations of Interest:**

RESOLVED: To note the following declaration of interest by a Member present relating to the business to be transacted at this meeting: -

<u>Member</u>	<u>Nature of Interest</u>
Councillor Knowles	Councillor Knowles declared a personal interest in the ALMO shadow board in his capacity as Council Representative, but in accordance with Paragraph 12.2 of the Council's Code of Conduct for Councillors he remained and took part in discussions on the agenda item in question.

165. **Arrangement of Agenda:**

RESOLVED: That all items be considered with the press and public present.

166. **Minutes:**

RESOLVED: That the minutes of the meeting held on 1 July 2004, having been circulated, be taken as read and signed as a correct record.

167. **Matters Arising from the Last Meeting:**

The Forum received a report of the Interim Tenant Services Manager which updated the meeting on issues raised at the Tenants' and Leaseholders' Consultative Forum on 1 July 2004.

In relation to the installation of windows in Brookside Close, officers advised that the work was due to be completed before Christmas.

Residents queried the delay in the installation of windows and the Chair asked that an update report on the reasons for the delay be brought to the Forum's next meeting and that an officer from Building and Design Services attend to present the report.

It was noted that officers had visited Eastcote Lane Estate to inspect the works and that the site had been further vandalised. A more sustainable solution was needed to deal with the situation.

In response to a comment from a resident that not all outstanding jobs had been listed in the officer report on Eastcote Lane Estate, officers agreed to a joint inspection of the estate.

A resident commented that the fire officer's report on the door replacement in Brookside Close did not fully correspond with the information given to him on site and queried why the tenants had not been given the chance to select doors as leaseholders had. The Forum agreed that the opportunity for all residents to choose doors should be a point of reference for future installations.

The Chair noted that, despite several requests, it had taken six months for the fire officer's report to be submitted to the Forum.

RESOLVED: That the report be noted.

168. **Public Questions:**

RESOLVED: To note that no public questions were received at this meeting under the provisions of Advisory Panel and Consultative Forum Procedure Rule 15 (Part 4E of the Constitution).

169. **Petitions:**

RESOLVED: To note that no petitions were received at this meeting under the provisions of the Advisory Panel and Consultative Forum Procedure Rule 13 (Part 4E of the Constitution).

170. **Deputations:**

RESOLVED: To note that no deputations were received at this meeting under the provisions of Advisory Panel and Consultative Forum Procedure Rule 14 (Part 4E of the Constitution).

171. **Reference from the Meeting of the Cabinet held on 9 September 2004: Various Housing Matters:**

The Forum received a reference from the meeting of the Cabinet held on 9 September 2004, asking the Forum to consider a report of the Chief Executive which provided an update on the overspend within the Housing Revenue Account (HRA) and the proposals on how to balance the housing repairs budget.

Officers reported that a close examination into the nearly £2 million overspend in the housing repairs budget had shown that £996K of this sum should have been charged to the capital funding programme. There was also a surplus in the housing budget. Subsequently, the resultant shortfall in the HRA was estimated at £194K.

It was advised that Cabinet had agreed to re-tender the maintenance contracts and to fund the overspend by reducing the Revenue Contributions to Capital Outlay (RCCO) budget by £194K to minimise the effect on tenants.

In response to residents' concern that housing repairs were left outstanding despite having been paid for by the Council, officers reassured the meeting that the Housing Department conducted inspections into the works which were carried out and that there would be an internal audit on jobs from next year.

In response to a query from a tenant regarding whether the contractors responsible for the overspend in repairs could work for the Council again, officers replied that the Council collaborated with three contractors who could use sub-contractors. It was advised that the contractors were supervised and that a low performance could result in a contract being closed. It was noted that the contractors were currently performing above or at the same level as previous years. All contractors had been asked to supply evidence of their staff's qualifications and officers encouraged the Forum to report any irregularities.

RESOLVED: That the comments and report be noted.

172. **Arms Length Management Organisation (ALMO) Update:**
The Forum received a verbal update on the progress of the implementation of the Arms Length Management Organisation (ALMO).
- It was reported that the Secretary of State had approved Harrow's ALMO agreement and that the ALMO was expected to be launched in November or no later than 31 December. It was explained that part of the ALMO was a management agreement and that staff who would be transferred to the ALMO were yet to be identified as the Council was awaiting the Chief Executive's review of housing before embarking on this aspect of establishing the ALMO.
- It was reported that there were currently two vacancies on the ALMO Shadow Board, one tenant and one Council Member, however, the Forum was advised that there was a quorum on the Board.
- The Chair expressed serious concern that the Forum had not been informed of the membership of the ALMO Shadow Board.
- A tenant raised concern that the Harrow Federation of Tenants' and Residents' Associations had not been consulted on the appointment of tenants onto the ALMO Shadow Board.
- It was noted that none of the representatives of the tenants' associations who attended the meeting was in favour of the ALMO.
- In response to this, officers informed the meeting that there had been a consultation for tenants on the ALMO and that the majority of respondents had been in favour of launching the ALMO. The success of the ALMO would depend on the commitment from tenants and officers. There were certain critical stages in the roll-out of the ALMO, and the Council would have to decide whether to fund the ALMO after five years. It was advised that the decision as to whether to have an ALMO would then be revisited.
- RESOLVED:** That the verbal report be noted.
173. **Matters Raised by Alexandra Avenue Tenants' and Residents' Association:**
The Forum received a report of the Interim Tenant Services Manager which responded to issues raised by the Alexandra Avenue Tenants' and Residents' Association.
- Residents stated that they were satisfied with the officers' response.
- RESOLVED:** That the report be noted.
174. **Matters Raised by Cottesmore Tenants' and Residents' Association:**
The Forum received a report of the Interim Tenant Services Manager which responded to issues raised by the Cottesmore Tenants' and Residents' Association.
- It was reported that the Housing Department's action would be restricted by the Tree Preservation Orders which were issued on some of the trees on the estate. It was advised that there was a plan in place to deal with the trimming and removing of trees. The plan had already started, although the process of removing the trees would be lengthy.
- The Chair stated that the Forum would monitor the process closely.
- The Forum discussed policies on trees in Harrow, including the issuing of Tree Preservation Orders, and how this could be dealt with, as tree management was a recurrent problem on many estates.
- RESOLVED:** That (1) the Environment and Economy Scrutiny Sub-Committee be asked to consider the strategies and management of trees on estates in Harrow; and
- (2) the report be noted.
175. **Matters Raised by Eastcote Lane Tenants' and Residents' Association:**
The Forum received a report of the Interim Tenant Services Manager which responded to issues raised by the Eastcote Lane Tenants' and Residents' Association (ELTRA).
- It was noted that a report on the issues raised in a survey carried out by ELTRA on a window and door replacement programme would be submitted to the Forum's next meeting. Officers would also undertake to investigate why parts of the work on the estate were still outstanding.

RESOLVED: That the report be noted.

176. **Matters Raised by Harrow Federation of Tenants' and Residents' Association:**
The Forum received a report of the Interim Tenant Services Manager which responded to issues raised by the Harrow Federation of Tenants' and Residents' Associations.

In response to concerns from residents regarding the quality of grounds maintenance work, officers replied that the service had slightly declined and that the contract for grounds maintenance would shortly be renegotiated. There was a need for additional funding of grounds maintenance and a separate bid had been made to improve the service.

The Chair asked that residents be consulted prior to a new grounds maintenance contract being drafted and that Council Members be involved in the meetings to discuss the drafting of the contract.

RESOLVED: That (1) Councillor Currie and Councillor Knowles be invited to attend meetings to discuss the drafting of the grounds maintenance contract; and

(2) the report be noted.

177. **Questions from Tenants/Leaseholders:**
In response to a question regarding the cutting of grass outside an estate, the Chair undertook to investigate the issue.

In response to a question from a resident regarding correspondence with Council staff, officers replied that officers were required to submit a written reply within ten days of receiving the letter.

A Member of the Forum raised concern that some residents were leaving waste on the estates to avoid paying the collection fees.

In response to this comment, officers reassured the meeting that all waste which was viewed as a risk to public health would be collected.

RESOLVED: That the above be noted.

178. **Date of Next Meeting:**

RESOLVED: To note that the next meeting of the Forum would be held on 6 January 2005.

(Note: The meeting having commenced at 7.34 pm, closed at 9.50 pm)

(Signed) COUNCILLOR BOB CURRIE
Chair



Meeting:	Tenants' and Leaseholders' Consultative Forum
Date:	Thursday 6 January 2005
Subject:	Matters Arising from the Tenants' and Leaseholders' Consultative Forum Meeting held on 13 October 2004
Responsible Officer:	Acting Head of Housing Services
Contact Officer:	Acting Tenant Services Manager
Portfolio Holder:	Planning, Development, Housing and Best Value Portfolio Holder
Key Decision:	No
Status:	Part 1

Section 1: Summary

Decision Required

1.1 That the report be noted.

Reason for report

1.2 This report provides information on the progress made on issues raised at the meeting of 13 October 2004 that are not included elsewhere on the agenda.

Benefits

N/A

Cost of Proposals

N/A

Risks

N/A

Implications if recommendations rejected

N/A

Section 2: Report

2.1 Brief History

All the issues arising in this report were raised at the meeting of the Tenants' and Leaseholders' Consultative Forum held on 13 October 2004, and relate to the management and maintenance of the Council's permanent housing stock.

The Installation of windows in Brookside Close (Minute 167): Residents queried the delay in the installation of windows and the Chair asked that an update report on the reasons for the delay be brought to the Forum's next meeting and that an officer from Building and Design attend to present the report.

When the replacement windows were finally selected the tenants involved and the Tenants Association were advised that it would take time to manufacturer the selected replacement windows. The replacement relates only to the windows above the kitchen sink in three flats at Brookside Close. The windows were delivered and fitted during the week commencing 13th December 2004 and at installation one window was found to have a defective catch and the new window will now be fitted at the contractors expense in the new year.

Outstanding Jobs on Eastcote Lane Estate (Minute 167): In response to a comment from a resident that not all outstanding jobs had been listed in the officer report on Eastcote Lane Estate, officers agreed to a joint inspection of the estate.

The joint inspection took place on 21 October 2004, attended by Councillors Currie & Dharmarajah, Graham Webber & Tara Kempshaw (ELTRA), Ian C Brown, Acting Head of Housing Services, David Hooper, Acting Tenant

Services Manager, Gwyneth Allen, Acting Property Services Manager, Ernie Malyon, Acting Repairs Manager and Mark Crodden, Design and Build.

Comprehensive lists were compiled of housing management, responsive repair and asset management issues. Where the issues have not yet been resolved ELTRA are being kept informed of progress and the expected completion dates. A follow up inspection with ELTRA is scheduled for 20 December 2004.

Matters Raised by Cottesmore Tenants' and Residents' Association (Minute 174): *The Environment and Economy Scrutiny Sub-Committee received the Forum's reference on tree management at its meeting on 30 November 2004.*

The Sub-Committee considered the reference and agreed the following:-

RESOLVED: That 1) a report be made to the Sub-Committee regarding the management of trees under Tree Preservation Orders in the Borough and on Cottesmore Estate in particular and ;

2) the Tenants' and Leaseholders' Consultative Forum be informed of the action taken by the Sub-Committee.

Matters Raised by Eastcote Lane Tenants' and Residents' Association (Minute 175): *It was noted that a report on the issues raised in a survey carried out by the ELTRA on a window and door replacement programme, would be submitted to the Forum's next meeting. Officers would also undertake to investigate why parts of the work on the estate was still outstanding.*

The making good following the window replacement programme has taken longer than it should have done. The work is now some 80% complete and as long as the tenants involved are able to agree access the defect should be rectified during January 2005.

Matters Raised by Harrow Federation of Tenants' and Residents' Association (Minute 176): *The Chair asked that residents be consulted prior to a new grounds maintenance contract being drafted and that Council Members be involved in the meetings to discuss the drafting of the contract.*

With the decision not to pursue the ALMO option discussions are taking place with colleagues from the New Harrow Project Team regarding the future provision of grounds maintenance services to housing estates. This would help ensure that tenants and lessees receive both value for money and the high quality service provided on other Council land. Input from residents would be a vital part of the service, however, it is procured.

Discussions are at an early stage and a verbal update will be provided at the meeting.

2.2 Options considered

Not applicable

2.3 Consultation

Not applicable

2.4 Financial Implications

None

2.5 Legal Implications

None

2.6 Equalities Impact

None

Section 3: Supporting Information/ Background Documents

Minutes of TLCF 13 October 2004

Ian C Brown
Acting Head of Housing Services

LONDON BOROUGH OF HARROW

TENANTS' AND LEASEHOLDERS' CONSULTATIVE FORUM

THURSDAY 6 JANUARY 2005

2005-06 Budget and Medium Term Budget Strategy 2005-06 to 2007-08 :
Reference Cabinet Meeting held on 16 December 2004

1. The Executive Director (Business Connections) outlined the content of his report and advised that the provisional settlement had been announced on 2 December 2004. The Council's provisional formula spending/share for 2005/6 was £248.3m, an increase of £12m or 5.5%. He emphasised that the settlement was provisional and that the budget might need to be refined once the final settlement was known.
2. The Executive Director (Business Connections) drew Members' attention to Appendix B of his report which set out a summary of the revenue budget for 2005/6 and which would result in a 1.48% increase in Council Tax. When linked to the GLA precept, this would lead to an increase in Council Tax of 2.5%.
3. The Executive Director (Business Connections) advised Members that the draft Capital Programme 2005/6 would be reported to Cabinet on 13 January 2005.
4. In response to Members' questions, the Executive Director (Business Connections) undertook to provide a response in relation to the likely Council Tax charge if the Government were to fully fund the cost of the new licensing regime. He also stated that the funding of the social inclusion proposals (detailed elsewhere on the agenda) could be met from reserves as it would be a one-off expense.
5. Cabinet, having recommended to Council that a level of unallocated General Fund Reserves of £4m at the end of each financial year be maintained and that the optimal level of unallocated General Fund Reserves was £7m,

RESOLVED: (1) That the draft Revenue Budget of £254.570m for 2005-06 for consultation with stakeholders be agreed;

(2) that the draft Medium Term Budget Strategy be approved;

(3) that the revised Housing Revenue Account (HRA) for 2004-05, the Draft Housing Revenue Account for 2005-06 and the draft three year financial strategy for Housing be approved and **that the draft HRA be referred to the Tenants' and Leaseholders' Consultative Forum on 6 January 2005;**

(4) to note the proposed level of the capital programme for 2005/06 and that the detailed programme would be reported to Cabinet in January 2005.

Reason for Decision: To ensure that the Council was planning the use of resources effectively.

{Note: Councillors D Ashton, Miss Lyne and C Mote wished to be recorded as having abstained from voting on the above resolutions due to the late receipt of the report.)

FOR CONSIDERATION

Background Papers

1. Minutes of Cabinet Panel meeting held on 16 December 2004
2. Report of the Executive Director (Business Connections) considered by Cabinet on 16 December 2004

Contact: Alison Brooker, Democratic Services, Legal Services Division. Tel: (Direct Line) 020 8424 1266. E-mail: Alison.brooker@harrow.gov.uk

Meeting:	Cabinet
Date:	16 December
Subject:	2005-06 Budget and Medium Term Budget Strategy 2005-06 to 2007-08
Responsible Officer:	Nick Bell Executive Director, Business Connections
Contact Officer:	Myfanwy Barrett Director of Financial and Business Strategy
Portfolio Holder:	Sanjay Dighe Portfolio Holder for Finance and Performance
Key Decision:	Yes
Status:	Part 1

Section 1: Summary

Decision Required

1.1 That the Cabinet agrees the draft revenue budget of £254.570m for 2005-06 for consultation with stakeholders

1.2 That the Cabinet agree that it recommends to Council in February 2005

(i) it maintains a minimum level of unallocated General Fund Reserves of £4m at the end of each financial year;

(ii) the optimal level of unallocated General Fund Reserves is £7m; and

1.3 That the Cabinet approve the draft Medium Term Budget Strategy as amended by any changes it wishes to make

1.4 That the Cabinet approves the revised Housing Revenue Account for 2004-05, the draft Housing Revenue Account for 2005-06 and the draft 3 year

financial strategy for Housing; and refers the draft HRA to the Tenants and Leaseholders Consultative Forum on 6 January

1.5 That the Cabinet notes the proposed level of the capital programme for 2005/06, and that the detailed programme will be reported in January 2005

Reason for report

To ensure that the Council is planning the use of resources effectively.

Benefits

The benefits of agreeing the draft budget in December are:

- Early indication of the likely level of resources for the next 3 years
- Firm basis for consultation with stakeholders

Cost of Proposals

The draft budget requirement for 2005-06 is £254.570m. The Council's budget is funded from a combination of government grants, Council Tax, fees and charges and investment income. The anticipated Harrow council tax for 2005-06, based on the provisional settlement, is £1049.16 for a Band D property, an increase of 1.48%. The detailed schedules attached analyse the budget proposals.

Risks

There is minimal risk attached to agreeing the draft budget for 2005-06.

Implications if recommendations rejected

Failure to agree the draft budget could adversely affect financial planning and undermine the consultation process.

Section 2: Report

Brief History

1. At its meeting in July the Cabinet agreed the timetable and process for developing the 2005-06 budget and the medium term financial strategy.
2. On 14 October the Cabinet received an update of the Medium Term Budget Strategy for 2004-05 to 2006-07. This report outlined the technical exercise undertaken to "reprice" the MTBS.

3. At its meeting on 14 October the cabinet also agreed the consultation arrangements.
4. In considering its budget and Council Tax proposals for 2005-2006 onwards, the Cabinet and Council will need to strike a balance between the interests of service users, the community in general and those of the Council Tax payer. Account will also need to be taken of the implications of decisions in the medium term.

Revenue Budget (excluding HRA)

5. Appendix A provides some commentary on the assumptions and issues contained within the draft revenue budget. Appendix B is a summary of the figures and the detailed schedules attached at Appendix C set out all the proposals included in the draft budget.
6. Despite the reasonable provisional financial settlement the Council faces major issues in maintaining current services and meeting the demands of legislative and demographic changes, and delivering service improvement in key areas.
7. The finance settlement outlined in Appendix F is provisional. The budget may therefore need to be refined when the final settlement is known at the end of January 2004.

Subsidised Services

8. The Council provides a number of subsidised services to citizens of the Borough. The proposed draft budget maintains these services at heavily subsidised levels. These subsidised services include:
 - Home Care where the cost to the Council is £9.1m, of which only £1.3 (14%) is recovered in charges
 - Meals on Wheels where the cost to the Council is £1m of which only £0.4m (45%) is recovered in charges
 - Concessionary travel (including freedom passes & taxicards) where the cost to the Council is £7.5m.
9. The total subsidy on the above areas alone equate to a cost to the Council of £15.9m in 2005-06, equivalent to £189 on the Band D Council Tax.
10. Along with the above services, there are many other areas where the Council provides subsidised services to citizens of Harrow, including playschemes, supporting people services and discretionary grants.

Housing Revenue Account

11. The revised HRA for 2004-05 and the draft HRA for 2005-06 to 2007-08 are set out in Appendix G. The HRA has been adjusted following the base

budget review and repriced. A model is set out for rent increases which shows a nil increase in 2005-06 and 2006-07 and a 4.73% increase each year thereafter. Proposals are also included for leaseholder service charges.

12. The draft medium term HRA allows for additional capital expenditure to achieve the decent homes standard by 2010, partly financed through prudential borrowing. The decent homes standard will be achieved by 2010 whichever approach is adopted following the options appraisal.

Consultation

13. The consultation arrangements are outlined in Appendix D.

Financial Implications

14. The draft budget is £254.570m which results in a Band D council tax of £1,049.16.
15. The Director of Financial and Business Strategy has commented on the Council's reserves position as shown in Appendix E.

Passporting

16. The budget provides for full passporting of the increase in the Schools FSS of £7.1m. The Schools FSS is divided into two parts – central items and the Individual Schools Block. Harrow Schools will receive an increase in funding of 7.1% which, together with direct government grant, will assist them in meeting DfES standards. In particular the additional funding will enable schools to achieve the minimum funding guarantee of 5% per pupil for primary and nursery schools and 4% per pupil of high and special schools.

Reserve Powers to Limit Excessive Budget Requirements and Council Tax Increases

17. The Secretary of State has made it clear that large council tax increases are not acceptable and he used his capping powers in 2004-05 on some authorities. The proposed Council Tax increase for Harrow is low. The Chancellor has assumed a national council tax increase of 3.6% in his provisional settlement and the draft council tax increase for Harrow is less than half of this level. Therefore the risk of capping is minimal.

GLA Precept

18. Cabinet is asked to note that the draft budget excludes the impact of the Greater London Authority's precept on any Council Tax increase. This precept is recommended by the Mayor of London each year and approved by the London Assembly in February. The impact of any increase will not be known until the New Year. For 2004-05 the GLA precept is £241.33.

Legal Implications

19. The Council has a statutory duty to make a balanced budget. The Cabinet and the Council also need to take into account:

- the letter from the Department for Education and Skills about schools budget passporting and the reserve powers of the Secretary of State for Education and Skills; and
- the reserve powers in relation to excessive budget and Council Tax increases.

Equalities Impact

20. The budget provides resources to ensure that the Council delivers its Corporate Equalities Plan and achieves Level 3 of the Equalities Standard.

Section 3: Supporting Information/Background Documents

Appendices are attached as follows:

A	Commentary
B	Budget Summary
C	Budget Detail
D	Consultation
E	Reserves
F	Settlement
G	Housing Revenue Account
H	Glossary

List information that is on deposit in Group Offices, can be viewed on the web and will be available for inspection at the meeting:

NONE

List other background papers that are available on request:

- Report to Cabinet in July on the timetable for the budget
- Report to Cabinet in October on the MTBS Reprice for 2005-06

Commentary

1. This commentary explains the changes shown in summary in Appendix B and in detail in Appendix C.
2. The sheets show the changes that are proposed over the three years to 31 March 2008. The issues outlined in 2006-07 and 2007-08 remain indicative as they may be affected by level of grants received from government in those years and any new legislative changes or policy changes.
3. Appendix B shows the impact in each year of the changes as set out in the sheets and the cumulative impact on the Council Tax. The calculations of the Council Tax impact are based on the provisional Council Tax base for 2005-06 and growth of 0.25% in the taxbase thereafter. The final Council Tax base for 2005-2006 will be subject to a report to Cabinet and approval by Council in January 2005.
4. Members are asked to note that the base budget as presented would result in a Council Tax increase of 1.48%. This compares with the 2.93% forecast in the existing Medium Term Budget Strategy reported to Cabinet in October 2004.
5. As well as growth and savings in Directorates there are a number of corporate issues reflected in the budget and these are outlined below.

Base Budget Changes (Appendix C1)

6. The recent increases in interest rates have enabled the Council to improve its overall level of interest received on investments and cash flow for 2004-05. Assuming that interest rates rise no further but remain at the same level (base rate 4.75%) throughout 2005-06, the Council is estimated to gain a further £1m over its current budget for interest.
7. Adjustments to support service recharges to non-general fund activities and external bodies in order to recover costs are estimated to generate additional income of £250k.
8. A major debt restructuring exercise has recently been completed to reduce the average interest rate and improve the maturity profile of the Council's long term borrowing. This will generate additional income of £700k in 2005-06 and a further £375k in 2006/07.

Basic Inflation – Pay and Pensions (Appendix C2)

9. The pay award for local government staff has now been agreed nationally over the next 3 years, and the triennial actuarial valuation of the Council's pension fund has recently been completed. In total a provision of 4.7% has been made for pay and pension increases in each of the 3 years.

Basic Inflation – Other expenses (Appendix C2)

10. The government has introduced a new measure of inflation called CPI (Consolidated Price Index) which looks at a basket of price indicators, excluding mortgages and pay inflation. This is currently around 1.2%. It is proposed to use this index to calculate non pay inflation for 2005-06 and beyond, as it is a better measure of the increase in costs of goods and services than the previously used RPI (Retail Price Index).

Additional Inflation (Appendix C2)

11. In addition to basic inflation, a number of budgets are forecast to require additional inflation for 2005-06 and beyond.

12. An additional provision of £450,000 has been made for concessionary fares - due to recently announced fare increases of 13% on buses and 4% on tubes, there will be a substantial increase in the cost of freedom passes to the Council.

13. Additional inflation of £600,000 has been provided for social care budgets as contract prices in this sector tend to increase more quickly than average.

14. A new provision has been included for postage costs where an increase of approximately 10% is anticipated. Additional inflation has also been provided for gas and electricity bills which are forecast to increase by at least 10% on average.

15. A provision has been included for Urban Living contracts as there may be some instances where the contract price increases by more than CPI.

16. Finally inflation has been included at 5% for West London Waste Authority charges. However it should be noted that the draft West Waste budget is not received by the Board until December, and following consultation, the final levy is not determined until February.

Transfers of functions and specific grants (Appendix C3)

17. The government is introducing a new initiative called the Local Authority Business Growth Incentive (LABGI) from 1st April 2005. This is to encourage local authorities to foster new business growth in their area by allowing them to keep part of the additional NNDR contributions generated by this. The amounts that will flow to each Council are subject to a relatively complex formula, however Harrow's low baseline for business growth over the past 5 years means that it will benefit financially from the incentive even if business growth is no greater than its current average. It is estimated that this will yield extra funding of around £700,000 in 2005-06 and future years.

18. The grant funding relating to Council Tax and Housing Benefit Grant has increased from 95% to 100%. Whilst this change is reflected in RSG there is a net gain to the Council in the short term. The latest information available suggests that the gain will be £1m in 2005-06.
19. There has been a transfer of approximately £360k for Preserved rights from specific grant into RSG. However, due to the reducing number of clients with preserved rights, it is assumed that the budget pressure will be £280k in 2005-06 reducing to £100k in 2006-07 and nil in 2007-08.
20. Residential care grant is ceasing over the next 2 years and therefore a budget pressure of £660k in 2005-06 and a further £700k in 2006-07 has been included.

Transfers to/from capital (Appendix C3)

21. In line with CIPFA guidance, the Council is capitalising IT development costs of £450k in 2005-06.

RSG/Grant Changes

22. Details of the provisional finance settlement for 2005-2006 were published and announced on 2 December 2004. An analysis of the settlement is included at Appendix F for information.
23. The Council's provisional Formula Spending Share (FSS) for 2005-2006 is £248.3m, an increase of £12.9m or 5.5% (on a like for like basis i.e. adjusted for changes in responsibilities and transfers).
24. The Council's Formula Grant (Revenue Support Grant plus Business Rates) has increased by 5.6% from £157.3m to £166.1m (on a like for like basis). Harrow's increase matches the London borough average of 5.6%.
25. The assumed national council tax increase is 3.6%.
26. The Cabinet is asked to note that the finance settlement is provisional and that there may be further information made available, in particular in relation to specific grants. This may need the budget and budget strategies to be refined, after consultation.

(Note that the changes in formula spend do not affect the budget requirement shown in Appendix B but do affect the demand on the Council tax.)

Passporting

27. The Harrow Schools FSS has increased by £7.1m to £109.9m. The 2005/06 budget consistent with full passporting is £113.8m (including teachers pay grants and other adjustments). The individual schools budget total is £102.9m which represents an increase of 7.1%.

28. There is a separate report on the agenda which gives more details about the schools budget.

Directorate growth and efficiency savings (Appendices C4 – C10)

29. Growth pressures and proposed efficiency savings are shown by Directorate in Appendices C4 to C10.

Resources for Capital Programme 2005/06

30. The medium term budget strategy for the general fund and the HRA includes capital financing costs. For 2005-06 they are sufficient to fund a capital programme at the following level:

Capital Programme	2005-06 £m
General Fund	35
HRA	11
Total	46

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Summary MTBS position

LONDON BOROUGH OF HARROW
MTBS 2004-2005 to 2006-2007

	2005-06		2006-07		2007-08		Change	
	Budget £m	Council Tax £	Budget £m	Council Tax £	Budget £m	Council Tax £	Budget £m	Council Tax £
Base Budget	242.533	1033.89	254.571	1049.17	151.192	1063.60	1063.60	0.00%
Less Collection Fund Deficit 2004-2005	0.000	0.00	0.000	0.00	0.000	0.00	0.00	0.00%
Change in Council tax base		-7.91		-2.50		-2.50	-2.50	-0.24%
Non Recurring items	0.175	2.08	0.000	0.00	0.000	0.00	0.00	0.00%
Repriced Base Budget	242.708	1028.06	254.571	1046.67	151.192	1061.10	1061.10	-0.24%
Base budget Changes	-2.162	-25.65	-0.320	-3.79	0.000	0.00	0.00	0.00%
Basic Inflation (exc schools)	4.231	50.19	4.480	53.01	4.630	54.65	54.65	5.14%
Additional Inflation	1.540	18.27	1.375	16.27	1.375	16.23	16.23	1.53%
Transfers of functions & specific grants	-0.694	-8.23	0.100	1.18	-0.700	-8.26	-8.26	-0.78%
Schools passport	7.056	83.70	-110.900	-1312.31	0.000	0.00	0.00	0.00%
Transfers to/from capital	-0.284	-3.37	0.200	2.37	0.200	2.36	2.36	0.22%
RSG/Grant changes		-119.61		1240.23		-60.00	-60.00	-5.64%
Total Base Position	252.395	1023.36	149.506	1043.65	156.697	1066.08	1066.08	0.23%
Net Directorate Growth	2.366	28.07	0.235	2.78	-0.070	-0.83	-0.83	-0.08%
Children's Services	0.644	7.64	0.365	4.32	0.550	6.49	6.49	0.61%
Adult Community Care	0.144	1.71	0.415	4.91	0.100	1.18	1.18	0.11%
Learning Services	2.736	32.46	2.179	25.78	1.411	16.66	16.66	1.57%
Urban Living	0.585	6.94	0.270	3.19	0.100	1.18	1.18	0.11%
Organisational Development	0.055	0.65	0.015	0.18	0.025	0.30	0.30	0.03%
Business Connections	-4.354	-51.65	-1.793	-21.22	-1.125	-13.28	-13.28	-1.25%
Corporate								
Existing MTBS following full reprice	254.571	1049.17	151.192	1063.60	157.688	1077.77	1077.77	1.33%

Non-Recurring & Base Budget Changes

	2005-06 £000	2006-07 £000	2007-08 £000	Notes
Non-recurring items				
CPZ fund	175	0	0	Fund used to supplement base budget in previous years - now exhausted
Total Non-recurring items	175	0	0	
Base Budget Changes				
GLMCA levy	55	55	0	Increase in levy phased in
Charging for car parking	-97	0	0	Effect of 04-05 budget decision
Support Service Recharges	-340	0	0	Contribution to costs
Interest on Balances	-1000	0	0	Impact of increased interest rates
Debt restructuring	-700	-375	0	Refinancing debt at lower interest rates
Single Status	-80	0	0	Corporate budget not required
Total Base Budget Changes	-2162	-320	0	

Basic & Additional Inflation

	2005-06 £000	2006-07 £000	2007-08 £000	Notes
Basic Inflation				
Pay & pensions increase	3230	3330	3430	Based on pay & pensions increases (2.95% & 1.67%)
Non pay inflation:				
Central	36	40	41	Based on CPI (1.2%)
Chief Executive	24	27	28	
Organisational Development	24	27	28	
Business Connections	73	82	84	
People First (excluding schools)	589	674	699	
Urban Living	255	300	320	
Total Basic Inflation	4231	4480	4630	
Additional Inflation				
Postage	60	0	0	Estimated postage increases
Concessionary Fares	450	450	450	Estimates from TfL
Social Care costs	600	600	600	Social Care inflation higher than CPI
Gas & electricity	105	0	0	National price increases
Urban Living Contracts	150	150	150	Contractual commitments
West Waste	175	175	175	Estimates from West Waste
Total Additional Inflation	1540	1375	1375	

Transfers of functions/grants & to/from capital

	2005-06 £000	2006-07 £000	2007-08 £000	Notes
Transfers of functions/grants				
Benefits Grant	-1000	0	0	Increase in grant funding
LA Business Growth Incentive	-700	-700	-700	New government incentive
Civil Defence Grant ceasing	66	0	0	Specific grant has ceased
Preserved Rights	280	100	0	Specific grant reduced
Residential Care	660	700	0	Specific grant being phased out
Total Non-recurring items	-694	100	-700	
Transfers to/from capital				
Highways maintenance	166	200	200	De-capitalisation of expenditure
Capitalise IT costs	-450	0	0	Capitalisation of IT development expenditure in line with latest guidance
Total Base Budget Changes	-284	200	200	

People First - Children's Services

	2005-06	2006-07	2007-08	Notes
<u>In MTBS reprice</u>				
Staffing to meet National Care Standards	100	0	0	At Haslam House & Silverdale
Increases in Looked After Children	50	50	50	Expected demographic increases
Children's Advocacy	70	0	0	Required by Children's Act
Youth & Community	300	300	0	To fund improvements agreed in strategy
Children's Services staffing	70	0	0	To meet increased caseload
<u>New Growth</u>				
CAMHS services	108	0	0	Funded from specific grant increase
Residential placements base budget	298	0	0	Pressures on base from increased numbers
Foster Care Base Budget	430	0	0	Pressures on base from increased numbers
Leaving Care Base Budget	301	0	0	Pressures on base from increased numbers
Children's placement officer	60	0	0	To develop more cost effective placements
Social care recruitment & retention	150	150	0	To reduce reliance on agency staff
Children with disabilities	100	0	0	To meet increased caseload
Adoption Service	45	0	0	To meet requirements of Adoption Act
Enhance Carers Services	53	0	0	Funded from specific grant increase
Quality Assurance development	70	0	0	To improve quality of casework
SEN transport	200	-100	0	Increased numbers requiring transport
Social Care Training	248	0	0	To meet national targets
Asylum Seeking Children	280	0	0	Requirement to fund costs after 16th birthday
Grand Total Growth	2933	400	50	
Income & Efficiency Savings				
Increase in other social care grants	-567	-65	-120	Specific grant increases
Children's Placement Officer	0	-100	0	Efficiencies from post included above
Net Children's Services	2366	235	-70	

People First - Adult Community Care

	2005-06	2006-07	2007-08	Notes
<u>In MTBS reprice</u>				
Learning Disability outreach team	150	100	0	Extension of outreach service
Social Care extended hours service	50	0	0	Government requirement
<u>New Growth</u>				
Continuing care	65	65	0	Changes to Health funding
Physical Disability NSF	100	0	0	Following inspection recommendations
Social Care Recruitment & retention	50	50	0	To reduce reliance on agency staff
Learning Disability demography	100	100	100	Extra numbers requiring services
Person Centred Planning	0	50	0	Improving learning disability services
Learning Disability PFI	0	0	450	Improving learning disability services
Preventive Services	211	0	0	Provision of preventive services in line with government expectations
Mental Health accom officer	55	0	0	To deliver more cost effective placements
Supporting People	200	0	0	Result of changes to grant conditions
Children with disabilities transition	20	0	0	To enable effective transition from Children's to Adult's care
Joint Equipment Stores	30	0	0	Additional staff member to meet targets on speed of delivery of equipment
Joint commissioner with PCT	25	0	0	Development of joint work with PCT
Enhance carers services	213	0	0	Funded from specific grant increase
Home Care Single Status	360	0	0	Single status on homecare contract
Grand Total Growth	1629	365	550	
Income & efficiency savings				
Accurate community care cttments	-100	0	0	Better information of budget needs
Mental Health accommodation	-100	0	0	Efficiencies from new post
Increase in grants	-785	0	0	Increases in specific grants
Net Adult Community Care	644	365	550	

People First - Learning Services

	2005-06 £000	2006-07 £000	2007-08 £000	Notes
<u>In MTBS reprice</u>				
Cultural strategy	93	0	0	To implement strategy
PFI affordability gap (special schools)	15	38	0	Costs of Special Schools PFI
School reorganisation	100	100	100	To implement strategy
IT licenses/training	0	100	0	Revenue costs of new systems
<u>New Growth</u>				
Libraries Sunday opening	11	57	0	Extension of opening hours
Arts Culture Harrow	25	0	0	To meet unavoidable costs
Community Schools	0	120	0	Roll out of pilot areas
Grand Total Growth	244	415	100	
Income & efficiency savings				
Capitalise PFI costs in PF	-100	0	0	Capital cost built into revenue budgets at present
Net New Growth	144	415	100	

Urban Living

	2005-06 £000	2006-07 £000	2007-08 £000	Notes
<u>In MTBS Reprice</u>				
Clean & Green roll out	2033	1510	0	Areas to be rolled out in 05-06 rephased to later in that year
HECA Officer - fye from 04-05	13	0	0	Full year effect of 04-05 budget
Environmental Health	100	100	100	To implement new legislation on noise mapping & enforcement of Health & Safety and meet growing demands
increased waste tonnage	187	251	0	Estimate of increased tonnage costs
Replacement leased vehicles	80	80	75	To replace green box vehicles & gritters
Wealdstone centre	50	0	0	Additional premises costs
Building regulations officer	29	0	0	To meet extra demand
<u>New Growth</u>				
Costs of Housing Strategy	70	70	95	Requirement to move costs from HRA
Housing research projects/strategies	55	0	30	Development of strategies & sub regional work to meet housing needs
Implement sports & leisure strategy	110	150	50	Implementation of strategy
Local Development Framework	230	0	0	To meet statutory obligations
Planning staffing	100	0	0	To improve performance in planning
Develop vitality profiles	30	30	0	To enable improved bids for funding
Business/regeneration improvements	185	0	0	To improve Borough's economy and generate extra government funding
Highways maintenance costs	75	75	75	Additional investment
Organic waste	188	133	936	To meet government targets
ICT systems	0	150	50	Revenue costs of new systems
HMO registration scheme	70	50	50	To improve protection of tenants
Licensing Act	100	0	0	To implement new legislation
Anti Social Behaviour Act	50	50	0	To implement new legislation
Drug & Alcohol Counselling	20	20	0	To enhance counselling services
Arrest Referral Scheme	25	25	0	Joint work with Police
Transport Strategy	45	0	0	To develop strategy & secure TfL funds
Grand Total Growth	3845	2694	1461	
<u>Income & Efficiency Savings</u>				
Planning Development Grant	-150	0	0	Estimated increase in grant
Extra planning income	-129	-50	-50	New statutory fees
Licensing income	-100	0	0	Income from new duties
Section 52(9) payment reduction	-150	-150	0	Reduction in landfill tax from recycling
Review council catering	-130	-100	0	Comprehensive review to be undertaken
Commercial properties income	-80	-15	0	New income & rent review
Facilities Management Review	-70	-50	0	Comprehensive review to be undertaken
Effective Asset Mgt	-200	-150	0	Improved use of Council assets
Rating Appeals	-100	0	0	Estimate of rating appeals
Net New Growth	2736	2179	1411	

Organisational Development

	2005-06 £000	2006-07 £000	2007-08 £000	Notes
<u>In MTBS Reprice</u>				
HR officers	100	45	0	Harrow has less HR support per employee than other Councils. Funding will ensure support for change process
Corporate Policy Officers	50	0	0	To improve strategic planning
<u>New Growth</u>				
Occupational Health	110	0	0	Costs of new contract approved by Cabinet
Staff Survey	15	0	0	To fund biennial survey
Recognition Award Scheme	15	0	0	
Workforce Development	80	80	100	Additional staff training/development
Member Development	30	0	0	To prepare induction programme for members elected in 2006
Graduate Traineeship	55	45	0	To help grow our own future managers
Performance Mgt	100	0	0	To roll out systems to improve council performance
Community Engagement	50	50	0	To improve our consultation and engagement process
Freedom of Information	50	0	0	Legislative requirement
Programme Office	150	0	0	Improve change management capacity offset by efficiency savings
Grand Total Growth	805	220	100	
Income & Efficiency Savings				
Effective programme management	-150	0	0	Resources released from set up of Programme Office
Freedom of information costs yr 1	-50	50	0	Year 1 costs met by government
Reduced inspection fees	-20	0	0	Reduction in Audit Commission fees
Net New Growth	585	270	100	

Business Connections

	2005-06 £000	2006-07 £000	2007-08 £000	Notes
<u>In MTBS reprice</u>				
Financial Management	100	40	0	Increase in finance staff & training to improve financial management
Internal Audit	40	40	0	To improve business continuity and reduce risk
<u>New Growth</u>				
Corporate Anti-Fraud	60	60	30	To improve anti-fraud activities offset by cost reductions
Health & Safety	25	10	0	To meet increased requirements under H&S legislation
Procurement team	150	0	0	To deliver efficiency savings offset by procurement savings
Funding Officers	80	0	0	To generate external funding for the Council and its partners offset by external funding
Grand Total Growth	455	150	30	
<u>Income & Efficiency Savings</u>				
Corporate Anti-Fraud	-60	-60	-30	Reduced number of fraudulent claims
Social Care income	-75	-75	-75	By proactive welfare benefits advice with Pensions Service
Benefits Performance Fund	-100	0	100	Time limited grant increase
Proactive Debt Mgt	-85	0	0	Centralisation of debt recovery
Additional External Funding	-80	0	0	Generated by funding officers
Net New Growth	55	15	25	

Corporate

	2005-06	2006-07	2007-08	Notes
<u>In MTBS reprice</u>				
Capital Financing	510	600	1000	Revenue costs of capital programme
Contribution to change mgt reserve	-630	0	0	One off budget in 2004-05
ICT infrastructure	330	150	150	Revenue cost of ICT investment
Grand Total Growth	210	750	1150	
Efficiency Savings				
NHP restructure	-370	-370	0	From restructure of the Council
Reduction in sickness absence	-200	-200	0	Reductions in overtime/agency staff
Reduction in lease cars	-69	-48	-25	Scheme being wound up
First Contact	-100	-500	-1000	Development of contact centre/one stop shop
ERP	-100	-300	-250	Savings from the back office
Procurement savings	-3350	-1000	-1000	Improved procurement of goods & services
Insurance contributions	-250	0	0	Reduced contributions to provision
Introduce voice over IPT	-125	-125	0	Reduced telephone bills
Net New Growth	-4354	-1793	-1125	

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Consultation Arrangements

Questionnaire

A questionnaire designed by MORI has been sent to 4,000 randomly selected households in the borough. Provisional findings will be available at the end of the first week in January with the final report due at the end of January.

Stakeholder Meetings

Members agreed to hold a series of meetings with key stakeholders for in-depth consultation in January and February. The meetings will be attended by the Leader and Deputy Leader with relevant Portfolio Holders, Conservative and Liberal Democrat Members, and key officers to listen to the stakeholders' views and answer questions on the budget proposals. The stakeholders, together with the meetings suggested to pick up their issues, are listed below:

Stakeholder	Meeting	Date
Tenants and Leaseholders	Tenants and Leaseholders Consultative Forum	6 January
Voluntary Sector	Special meeting	To be confirmed
Statutory partners	HSP Board	27 January
Schools	Education Consultative Forum	1 February
Unions	Employees Consultative Forum	2 February
Local Businesses	NNDR Consultative Forum	3 February
Public	Two special meetings – location to be confirmed	18 January 3 February

Budget Review Working Group

This report will be considered by BRWG on 14 December and any comments will be referred to cabinet.

Overview and Scrutiny

This report will be considered by the Overview and Scrutiny Committee on 31 January.

Report of the Director of Financial and Business Strategy on General Reserves

As part of the budget process for 2004-05 Council approved the level of general reserves that we should hold at a minimum of £4m with an optimum level of £7m.

This report recommends that the minimum and the optimum level of general fund reserves are maintained at current levels. The report does not cover reserves held by schools, nor does it consider earmarked reserves.

It is the responsibility of each authority to set its level of reserves based on local conditions, but taking into account national factors. Although advice can be sought from the external auditors it is not their responsibility to prescribe minimum or optimum level.

In setting the level the authority should take into consideration the advice of their chief financial officer, taking into account all local relevant circumstances. A well managed authority, with a prudent approach to budgeting should be able to operate with a relatively low level of reserves.

The Audit Commission's Corporate Performance Assessment (CPA) takes account in assessing an authority's financial standing, the level of financial reserves. They also expect a good authority to review their reserves on an annual basis.

As at the 31st March 2004 the level of General Fund Reserves was £9.2m and at 30th September 2004 the unallocated level was around £7m, consistent with the current optimum level approved by Council.

My recommendation as the Council's Section 151 Officer and in line with my statutory responsibility under the Local Government Act 2003 is that

- a) The minimum prudent level for general fund reserves (excluding schools) should remain at £4m at the end of any financial year.
- b) The optimal level of general fund reserves should remain at £7m for the period of the Medium Term Budget Strategy for the period 2005-6 to 2007-8.
- c) The optimal level should be maintained for the period of the Medium Term Budget Strategy for the period 2005-6 to 2007-8
- d) The level of general fund reserves should be reviewed annually

In arriving at the levels set out in the recommendations (minimum £4m, optimal £7m) the following factors have been taken into account:-

Inflation and interest rates	Assumption has to be made of the general level of inflation, pay awards and interest rates. The pay award is known and general inflation is relatively low and stable enabling reasonable assumptions to be made.
Service pressures	The Council approves an annual budget and MTBS, however reserves have to be held for unavoidable financial implications such as changes in legislation.
Cash flow management	The budget assumes that growth, savings and income generation will occur during the year. Dependent upon the timing reserves may be required to avoid major fluctuations in cash flow.
Risk management	The level of reserves is dependant upon effective risk management. The more effective the management the lower the level of reserves needed.
Financial management	Strengthening of the MTBS, to take account of inherent pressures and risks, general monitoring and financial management and action to tackle potential problem areas are all considered
External factors	Emergency planning provisions, disaster recovery action and robust business planning are factors to be taken into account

The minimum level of reserves of £4m equates to 2.5% of net expenditure excluding schools. The optimum level equates to 4.5% of net expenditure excluding schools,

In my opinion this is reasonable given the certainty about the pay award, low levels of inflation, and the nature of the Council's earmarked reserves.

The level of reserves will be monitored throughout the year taking into account any changes in circumstances and a report submitted annually of the proposed levels.

PROVISIONAL SETTLEMENT 2005-2006

General

1. This information circular provides an initial assessment of the provisional finance settlement.
2. The key points at this stage are:
 - the settlement appears to be marginally better to the underlying increase used in the initial Medium Term Budget Strategy reported in October.
 - Harrow has received a larger increase in Formula Grant (5.6%) than many other London Boroughs, the average for the London area is 5.3%.

National Position

- an increase of 5.6% in Formula Grant (Revenue Support and Business Rates);
- an increase of 5.4% in total Formula Spending Shares
- a 7.9% increase in specific and special grants with a reduction in those ring fenced;
- a 5.6% increase in Education FSS;
- a 6.0% increase in Personal Social Services FSS;
- a 2.5% increase in Environmental, Protective and Cultural Services FSS,
(Note all these are after adjustments for transfers functions with central government)
- Assumed Band D Council Tax (ANCT) up by 3.6% from £1,061.46 to £1,099.51 in 2005-2006
- Additional resources as announced in the Pre budget Report to keep Council tax increases below last years rise of 5.9%

3. Table 1 shows the national picture of the changes over services.

Table 1: Total Assumed Spend increase 2004/05 to 2005/06

	2004/05 TAS £m	2004/05 TAS adjusted £m	2005-06 TAS £m	Change over adjusted %
Education	30,515	30,424	32,306	6.2
Personal Social Services	14,527	14,532	15,695	8.0
Fire	1,848	1,864	1,914	2.7
Police	9,124	9,192	9,631	4.8
Highway Maintenance	2,004	2,004	2,054	2.5
EPCS	12,431	11,941	12,233	2.4
Capital	2,802	2,802	3,269	16.7
Financing Unallocated	587	2394	2,474	3.3
Total	73,836	75,153	79,577	5.9

Additional Resources announced in Pre Budget

4. The following changes were made in the Pre Budget announcement in recognition that the Spending Review 2004 failed sufficiently to recognise the pressures facing local authorities. An extra £358m has been included in the Revenue Support Grant and an extra £50m in police grant. New money amounting to £100m for safeguarding children and £100m for access and systems capacity and £28m for fire authorities has also been made. These amounts are being funded from an extra £125m together with £512 million re-allocated to councils from government departments and are for one year only.

Local Picture

5. Table 2 shows the change in Harrow's Formula Spending Share between 2004-2005 and 2005-2006. The Total Assumed Spend is the amount of spend the Government will support by Grant. The FSS is the amount of spend being supported by general grant excluding the specific grants

Table 2 Harrow's Formula Spending Share 2004-05 to 2005-06

	FSS 2004-05 £m	Adjusted FSS 2004-05 £m	FSS 2005- 2006 £m	% Change on adjusted	Average Outer London boroughs	Average Nationally
Education Schools	102.807	102.807	109.863	6.86	6.21	5.70
Education other	12.246	12.246	12.852	4.95	4.55	4.20
Personal Social Services	55.708	57.157	60.570	5.97	5.40	6.04
Highway Maintenance	6.745	6.745	6.714	-0.46	2.16	2.48
EPCS	48.287	48.126	49.119	2.06	1.54	2.51
Capital Financing	8.340	8.338	9.197	10.30	14.98	19.13
Total	234.133	235.419	248.315	5.48	5.22	5.41

Floors and Ceilings

6. The settlement provides for floors to limit individual authority's losses from the settlement. There are however no ceilings this year but the floors will be paid for by scaling back the grant increases for individual authorities above the floor.
7. For local authorities with Education and Social Services responsibilities like Harrow no authority can have less than a 4% increase in grant (plus capital adjustment). No Education/Personal Social Services authority will receive an increase in grant less than the increase in their schools FSS.
8. Harrow's increase in grant is 5.6% and in excess of its schools FSS. As a result of the application of the scaling factor its grant is £ 220,000 (11.37% of the excess over the floor) less than it could have been.

9. The table below shows the calculation of the grant and how this compares with 2004-2005.

Table 3 Grant Entitlement

	2004-2005	2004-2005 Adj	2005-2006	% change
	£m	£m	£m	
Total Formula spending Share	234.133	235.419	248.315	5.48
Assumed National Council Tax	-77.783	-77.783	-81.950	4.17
Effect of the scaling of grant increases	-0.287	-0.287	-0.219	
	156.063	157.349	166.146	5.59

ANCT includes change in Council tax base used for exemplification purposes

Education Floors and Ceilings

10. There is added protection in the Education Formula Spending Share. The settlement is designed to deliver no less than 5.8% for outer London Boroughs (5.8% nationally)more than 2004-2005 and no more than 8.75% more than 2004-200. Harrow is not affect by either limits. The LEA block also has floors and ceilings of 3.5% and 4.95%. Harrow is subject to the ceiling and its entitlement has been reduced by. £0.11m.

Education Passporting

11. The Government has announced its intention that the increase in Education Schools FSS be passed onto schools. The amount Harrow is required to passport is £7.06m. This equivalent to 80% of the total change in grant of £8.80m.

Special Grants

12. The aggregate level of specific grants has increased by 7.9%. The proportion of grants that are ring fenced has been reduced 9%. This provides for local flexibility especially in Social Services.

Formula and Data Changes

13. There is a formula freeze for 2005-2006. Therefore some data in the settlement will continue to come from the 1991 census. The Government have taken the view that it would be inappropriate to incorporate new data without changing the underlying formula.

Changes in formula grant by class of authority and by region

14. The Government have changed shares of Assumed national Council tax. These are set judgementally. Broadly they benefit shire districts, police and fire authorities at the expense of shire counties. The share for Outer London Boroughs has been marginally increased by 0.25%. An increase in ANCT reduces the Grant entitlement.

Changes in formula Grant

15. The table below shows the changes in formula grant per types of authority.

Table 3: Changes in Formula Grant By Area

	Change (%)
England	5.6%
London area	5.6%
Met areas	5.5%
Shire areas	5.6%
Inner London boroughs (inc. City)	6.1%
Outer London boroughs	5.3%
London boroughs	5.7%
GLA - all functions	5.5%

Impact on the Medium Term Budget Strategy.

16. The estimated increase in the grant entitlement of £10.08m is £ 2.3m greater than that included in the Medium Term Budget Strategy reported to Cabinet in October 2004. Of this difference £ 1.3m relates to an increase in the Education Schools FSS which is expected to be passported to the schools. The reduction in the Personal Social Services specific grants is however less than forecast. The exemplification is based on a significant estimated increase in the Council Tax base which will be reduced when the actual amounts are used in the Final Settlement which could improve the Grant position by a further amount of up to £0.5m.

Housing Revenue Account

Base Budget Review

- Appendix G1 shows the results of the base budget review which has been conducted during 2004/05 and has identified a number of areas where the budget does not reflect actual activity. The net impact of the proposed changes for 2004/05 is a reduction of £186k and can be summarised as follows:

	£000
Repairs	421
Single Status	135
In house staff costs	111
Consultancy	75
Revenue contribution to capital expenditure replaced by borrowing	(1,166)
Rents and service charges	(127)
Rent rebate subsidy loss	62
Grounds Maintenance	50
Energy costs	56
IT projects capitalised	(145)
Provision for doubtful debts	250
Working Time Directive	118
ALMO set up costs	180
Other miscellaneous items	(206)
Total	(186)

- The revised budget for 2004-05 also includes the work carried forward from 2003-04 as agreed by cabinet in September. This resulted in a lower contribution to capital expenditure from revenue and a higher surplus in 2003/04 than anticipated.

Repairs

- There is a forecast overspend on revenue repairs of £421k which is being managed through a reduction in the capital programme.

4. Issues relating to the forecast overspend on repairs and building maintenance are:

- ◆ Some £232k of expenditure is due to a budget shortfall in setup costs for the repairs partnering contracts (this year only), and specialists works, in particular to our sheltered blocks;
- ◆ The Budget overspend, amounting to approximately 10% of the agreed budget, has been brought increasingly under control from the situation at the end of first quarter 2004/05. Regular budgetary control meetings with the partnering contractors are now in place, and these are now being supplemented by external audit of the “open book accounting” approach. Work is underway to ameliorate further pressure on the budget, both with the contractors, and within our own repairs team resources;
- ◆ As part of the process of gaining greater financial control, outstanding repairs, going back in some cases to 1997 have been completed and the costs accurately posted in the accounts.

5. The base budget review has ensured that the underlying HRA is a sound basis for the medium term financial strategy.

MEDIUM TERM BUDGET STRATEGY FOR 2005-06 TO 2007-08

Staff costs

6. The recommended staffing structure is contained within the existing budget.

Options Appraisal

7. A provision of £100k has been allowed for the options appraisal and associated work. Some of this expenditure may fall in 2004/05, however the impact on the HRA balances will be the same.

Repairs

8. In relation to the repairs budget for 2005/06 and beyond it is assumed that the existing provision of £4.5m before inflation will be sufficient. However, within this figure some adjustments have been made:

- ◆ A zero based approach to repairs budget calculation has been undertaken, based on the half year position in 2004/05. This exercise has corrected the previous budget shortfall for specialist works to sheltered blocks;
- ◆ From the first season of gas servicing an updated and corrected number of properties to be serviced has also increased the budget requirement by £75k. Likewise the realistic provision for our

commercial boiler installations has also increased the budget requirement by £45k;

- ◆ The voids budget has been increased by £35k to reflect the numbers of voids being worked upon;
- ◆ Discussions with partners are on going in respect of budget responsibilities.

Growth Bids

9. The growth bids are summarised below:

Cleaning – Communal Areas

£19k reflecting the increasing demands for cleaning of the internal communal areas and communal bins. It is proposed that a contract be let to cover these services.

Housing Management – Money Advice Project

£20,000 is required for Money Advice project scheme currently being run in conjunction with the Housing Advice Centre. The scheme provides advice on money matters to tenants in arrears and with multiple debts.

Computer Equipment

Additional provision is required to introduce Business Objects at a cost of £80k and £30k for the new asset management system. In line with Council policy, IT project expenditure will be capitalised.

Prudential Borrowing

10. The medium term plan for the HRA assumes capital expenditure of £11m per year and revenue repairs expenditure of £4.5m per year over the period. This is funded from a number of sources with the balance being financed through prudential borrowing of £7m in 2005-6 and £8m in 2006-07 and 2007-08. The revenue budget reflects the net cost of borrowing.

Leaseholder Charges

11. The base budget review demonstrated that at present leaseholder expenditure is not fully recovered through service charges. It is recommended that service charges be increased to achieve full cost recovery.

12. The recharge of leasehold management cost to leaseholders is currently set at 10% of total service charges to leaseholders. The income recoverable in 2004/5 from current policy is not sufficient to cover the total leasehold management cost. In order to recover the total cost of providing leasehold administration, it is proposed that we charge a fixed fee of 92p per week per leaseholder to cover the admin and management cost to leaseholders. This will generate an additional income of £29,300.

13. The recharge of admin cost for repairs to leaseholders, which is currently set at 10% of service charge billed, should be increased to 15%. This is required in order to recover more of the housing management cost on leaseholders. A 5% increase, which equates to approximately £1 a week, will lead to an extra income to HRA of £30,700 in 2004/5.

14. It is proposed that the increase is phased in over the next 3 years.

Recovery of Energy Costs

15. The increase in energy cost in 20004-05 if recovered fully from sheltered housing tenants will amount to additional weekly charges of £2.00 charges per tenant. The proposal is for the increase in charges to be spread over at least 2 years starting from 2005/6 in order to minimise the effect of the extra charges on tenants. The expected additional charges for 2005/6 and 2006/7 are £1.00 and 70p respectively. This is expected to generate additional charges of £35k in 2005/6 and £25k in 2006/7.

Rents

16. A rent model is attached at appendix G3.

17. In addition to having to meet the Decent Homes standard by 2010, local authorities are required to meet Rent Convergence with Registered Social Landlord (RSL) level rents by 2012. The notional target (formula) rent for RSL's in the area is adjusted for inflation each year to 2011/12 and the local authority has until this time to bring its average rent to the same level, although increases are restricted to the upper limit of the formula $RPI + 0.5\% + £2$.

18. The model shows a zero increase for the next two years that maintains Harrow's average rent below the target rent thus incurring no rebate limitation until 2011-12. After the first two years the rents increase by a standard 4.73% pa to reach convergence.

19. Over the period rebate limitation is minimized thus maximising the net rental income. It should be noted that the model is subject to a number of assumptions on inflation rates, subsidy rules etc.

Right to Buy Sales

20. The three-year financial strategy assumes a certain level of right to buy transactions, which reduce rental income. No assumption has been made about corresponding reductions in expenditure at this stage.

Depooling of tenant rents and service charges

21. Consideration should be given to depooling rents and service charges. The depooling of caretaking, landlord lighting, ground maintenance and maintenance of refuse areas costs could lead to additional HRA income in the longer term.
22. The regulation on depooling of service charge is that during a transitional period the total amount of rent and service charges to tenants after depooling should not exceed the average rent before depooling plus RPI for the year plus 0.5% plus £2. Also the service charge costs after depooling should not exceed the cost of providing the service in the first place.
23. Officers have spoken to a number of other authorities, most of which have carried out a depooling exercise recently. Most authorities have taken a fairly broad-brush approach to depooling, and some have applied a flat rate across all properties being charged. Others calculate a charge for each service across the stock involved. Generally authorities have not had problems introducing tenant service charges as it has been done in a cost neutral way.
24. It is recommended that Harrow proceed with consultation on implementing service charges from 2006-7. At least initially this should be on a broad-brush approach e.g. same charge for all properties receiving a service. In the longer term as rent restructuring works through there will be additional income from the service charges available to fund service expenditure.

Rent Restructuring

25. The conclusion of the three-year review by ODPM on rent restructuring is expected to impact on the HRA budget from 2006/7. The following recommendations from the report may affect future year's budget:
 - ◆ Higher bedroom weights proposed for three and four bed properties, and new higher weightings for five and six (more) properties;
 - ◆ Harmonisation – using the same formula for restructuring local authority rents as that currently used for restructuring RSL rents, and adopting the RPI as the inflation measure used in calculating LA rent increases;
 - ◆ Local authorities should ignore the downward limit of RPI + 0.5% minus £2 per week on rent charges, in order to achieve restructuring on all properties for which rents need to fall by 2011/12.

Appendix G1

HRA Budget Summary

	Original Budget 04/05	Revised Forecast 04/05	Estimated Budget 05/6
Expenditure			
Employee Costs	4,159,590	3,983,665	3,907,905
Supplies & Services	1,514,540	1,562,040	1,545,650
Central Recharges	1,825,910	1,855,140	1,829,580
Housing costs adjustment	235,000	487,875	417,875
I T Projects	70,000	74,890	70,000
Miscellaneous	94,280	119,780	110,240
Option appraisals	190,000	98,000	45,000
Recharge to other services	(1,072,860)	(1,053,380)	(1,026,090)
Leasehold Management	182,450	109,710	109,710
Rent Rebates	0	62,450	62,450
Rent/Agency/Payments	6,850	3,850	3,850
Baseline expenditure	7,205,760	7,304,020	7,076,170
Pension & one off Staff costs	75,000	120,000	
I T Projects	145,000		
Inflation			296,242
Contingency	302,690	272,250	112,500
Operating Expenditure	7,728,450	7,696,270	7,484,912
Charges for Capital	5,073,400	5,044,800	4,962,520
Contribution to Repairs Account	4,475,630	5,226,060	4,527,560
RCCO	1,873,000	707,330	0
ALMO Set Up costs		180,000	
Bad or Doubtful Debts	0	250,000	75,000
Total Expenditure	19,150,480	19,104,460	17,049,992
Income			
Rent Income – Dwellings	(20,450,060)	(20,473,521)	(20,231,721)
Rent Income – Non Dwellings	(511,110)	(598,762)	(598,762)
Service Charges	(223,010)	(240,190)	(240,190)
Facility Charges	(157,510)	(157,510)	(157,510)
Interest	(50,000)	(50,000)	(45,000)
Other Income	(42,450)	(42,450)	(42,450)
Transfer from General Fund	(101,090)	(113,030)	(113,030)
HRA Subsidy	3,370,950	3,370,950	3,767,160
Total Income	(18,164,280)	(18,304,513)	(17,661,503)
In Year Deficit / (Surplus)	986,200	799,947	(611,511)

Appendix G2

**Housing Revenue Account
Medium Term Financial Strategy**

	2005/06	2006/07	2007/08
	£000	£000	£000
Balance b/f	(2,514)	(3,126)	(3,155)
Base expenditure	17,050	17,134	17,243
Base income	(17,662)	(17,164)	(16,652)
Net expenditure/(income) for year	(612)	(29)	590
Balance c/f	(3,126)	(3,155)	(2,565)
Provision for staffing	250		
Options Appraisal	100		
Growth Bids	39	39	39
Net cost of prudential borrowing	252	712	1,153
Leaseholder charges	(44)	(63)	(82)
Energy charges	(35)	(60)	(71)
Rents			(934)
Depooling of tenant service charges			
Total Adjustments	562	628	105
Revised Balance B/F	(2,514)	(2,564)	(1,965)
Revised net expenditure	(50)	599	695
Revised Balance C/F	(2,564)	(1,965)	(1,270)

Appendix G3

Housing Revenue Account – Rent Model

Year	Years to 2012	Formula Rent	Actual Rent	rent increase %	rent increase	Limit Rent	Rebate Limitation	Rebate Subsidy loss per annum	Rebate Subsidy loss per dwelling per wk	Additional Rent Income	Additional net rent income
2004/05			77.40			79.68					
2005/06	7	81.68	77.40	0.00%	£0.00	81.95	0.00	0	£0.00	0	0
2006/07	6	84.13	77.40	0.00%	£0.00	84.28	0.00	0	£0.00	0	0
2007/08	5	86.65	81.06	4.73%	£3.66	86.49	0.00	0	£0.00	951,600	951,600
2008/09	4	89.25	84.90	4.73%	£3.84	88.87	0.00	0	£0.00	998,400	998,400
2009/10	3	91.93	88.92	4.73%	£4.02	91.31	0.00	0	£0.00	1,045,200	1,045,200
2010/11	2	94.69	93.13	4.73%	£4.21	93.82	0.00	0	£0.00	1,094,600	1,094,600
2011/12	1	97.53	97.54	4.73%	£4.41	97.38	0.16	20,987	£0.08	1,146,600	1,125,613
											5,215,413

Glossary

Audit Commission

The national body responsible for ensuring effective audit and inspection of Councils and other public bodies.

Balances

See reserves below.

Base Budget

The Council's main budget for they year, taking into account pressures, savings and funding. This is also used as the basis for future years budgets, updated for inflation, new pressures, savings etc.

Budget Review Working Group

A cross party group of members set up to consider in detail budget and financial issues affecting the Council.

Business Rates

See NNDR below.

Capital

Spend on creating or enhancing assets such as roads, buildings and computer systems which is one-off and can be classified as an investment.

Chief Financial Officer

The Council's officer designated as carrying the statutory financial role under section 151 of the Local Government Act 1972. This is currently the Director of Financial and Business Strategy (Business Connections)

Collection Fund

A separate account which the Council is required to keep to monitor income from Council Tax and National Non Domestic Rates.

Council Tax

A tax based upon the value of a property which helps to support the council's general budget.

Council Tax Bands

A series of Bands (from A – H) based upon the value of a property which determines how much tax will be levied on each property.

Council Taxbase

The total number of properties in the Borough subject to Council Tax translated to their equivalent at Band D. This is required so that central government can compare the tax burden on each area of the country.

CPA (Comprehensive Performance Assessment)

The Audit Commission's Assessment of how well each Council is performing in a wide range of areas.

CPI (Consolidated Price Index)

The measure of inflation used by government which excludes pay and mortgages.

CPZ (Car Parking Zone)

An area designated as being available for car parking for only those who are residents or have relevant car parking permits.

CSCI

Commission for Social Care Inspection

Demography

The changes in numbers of the population and the make up of those numbers by either age range, ethnicity or location.

ERP

Enterprise Resource Planning. A computer system linking the key corporate systems of finance, personnel, payroll and property.

External Auditor

The organisation charged with ensuring that the Council's accounts, budgets and finances comply with legislation and are true and accurate records. For the Council this is currently Deloitte & Touche.

FSS (Formula Spending Share)

The amount of funding that the government calculates (via a complex formula) that a Council needs to undertake all of its services.

GLMCA Levy

The Council's contribution to the Greater London Magistrates Courts Authority.

Growth

Increased expenditure required to meet service expectations from changes to policy, legislation, demand etc.

HECA

Home Energy Conservation Act

HMO

Houses in multiple occupation

HRA (Housing Revenue Account)

A separate account which must be kept by the council to track income and expenditure relating to its stock of council houses.

HSE

Health & Safety Executive

HSW

Health & Safety at Work

Local Development Framework

There is a new statutory requirement for the Council to produce a strategic planning document which is supported by research and evidence, and to meet deadlines and standards prescribed by the government.

Medium Term Budget Strategy

The Council's plans for how it intends to form its budget in support of its objectives over the following 3 years.

NCSC

National Care Standards Commission

NHP

The major project being undertaken to improve the way the council delivers services to the citizens of the Borough, encompassing area based services, a restructure of the Council to provide more effective services, more investment in IT to enable greater customer focus and efficiency and ensuring sound financial management across the organisation.

NNDR (National Non-Domestic Rates)

Also called Business Rates. A rate charged on all businesses operating in the Council's area. It is calculated by applying a national figure to the rateable value of each business in the Borough. It is collected by the Council and paid to central government, who then redistribute it based on the Council's population.

NSF

National Service Framework

Passporting

The Government terminology for the requirement to pass on increases in the Education element of the FSS directly to schools budgets.

PCT

Primary Care Trust

PFI (Private Finance Initiative)

A means whereby the Council enters into a partnership with a private provider to enable capital developments to be undertaken which the Council could not of itself afford and which generates value for money.

Procurement

The ways a council buys in goods and services.

Provisional Finance Settlement

The government's annual announcement of how much financial support each Council will receive in the following year. The final settlement is usually announced some 2 months after this, once the government has all the data it requires.

Repricing

The updating of a base budget to reflect inflation and more accurate costings of pressures and savings.

Reserves

Also called balances. Money held by the Council to cover emergencies and unforeseen expenditure which may occur in the year.

Revenue

Spend on day to day running expenses of the Council.

RPI (Retail Price Index)

The measure of inflation used by government which includes pay and mortgages.

RSG (Revenue Support Grant)

The main grant which central government provides to support overall council expenditure. This grant can be spent on any services the council wishes.

SEN (Special Educational Needs)

Pupils who have educational requirements in excess of standard educational provision

Specific Grants

Additional grant funding from central government in excess of the Revenue Support Grant. These grants are paid for specific purposes and the Council needs to spend the grant for the purposes detailed by central government.

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Meeting:	Tenants' and Leaseholders' Consultative Forum
Date:	Thursday 6 January 2005
Subject:	Revisions to the Standard Tenancy Agreement Revisions to the Garage License Setting up an Introductory Tenancy Regime.
Responsible Officer:	Acting Head of Housing Services
Contact Officer:	Acting Tenant Services Manager
Portfolio Holder:	Planning, Development, Housing and Best Value Portfolio Holder
Key Decision:	No
Status:	Public

Section 1: Summary

Decision Required

1.1 That the report be noted.

Reason for report

1.2 This report provides information on the process to be followed to introduce revisions to the Standard Tenancy Agreement, revisions to the Garage Licence and to set up an Introductory Tenancy scheme

Benefits

1.3 Better management of the Council's Housing and Garage stock

Cost of Proposals

1.4 The costs are likely to be in the region of £ £5,000 excluding officer time, and can be met from existing resources

Risks

Not applicable

Implications if recommendations rejected

Not applicable

Section 2: Report

2.1 Brief History

The current tenancy agreement was last revised in 1992 and requires extensive updating to ensure the continued good management of the Council's homes.

The date of the last revisions to the garage licence is unknown but the document is very dated and also needs to be revised to enable effective management to continue.

Copies of the proposed revised Tenancy Agreement and Garage Licence were sent to all Tenant and Resident Associations (TRA's) in December 2004

An Introductory Tenancy Scheme was agreed in principle by Cabinet in September 2004 and now needs to be implemented to ensure that officers have the full range of tools available to effectively deal with issues such as anti social behaviour and rent arrears during the first twelve months of a new tenancy. A copy of the report to Cabinet is attached (Appendix A).

After the scheme starts all **new tenants** will effectively be 'on probation' for the first year in their home. This will **not** apply to any existing tenant even if they transfer after the scheme has started.

These projects will entail a considerable amount of work and co-ordination and a small project team has been set up to oversee them. It will meet for the first time on 20 December 2004 to:

- 1 Agree a project plan.
- 2 Agree responsibilities.
- 3 Consider the draft revised tenancy agreement and garage licence.

The team consists of Housing Officers, a representative from Legal Services, one from the Communications Team, Councillors from each political group and resident representatives.

Copies of the revised document have been sent to each TRA and they will be consulted at each stage of the process. A copy of the draft project plan is attached to this report and any amendments will be reported verbally at the meeting on 6 January 2005. (Appendix B)

It is anticipated that each of these projects will be completed in early to mid May 2005

2.2 Options considered

Not applicable

2.3 Consultation

In addition to the consultation detailed above the introduction of the revised tenancy agreement and the revised garage licence will require statutory consultation with tenants under Section 105, Housing Act 1985. The consultation required under that section in relation to the Introductory Tenancy scheme was conducted in early 2004.

2.4 Financial Implications

The work detailed in the project plan will cost approximately £5,000 and can be contained within existing budgets.

2.5 Legal Implications

None have been identified at this stage but a representative of Legal Services will be a standing member of the project team

2.6 Equalities Impact

None

Section 3: Supporting Information/ Background Documents

Cabinet Report September 2004

Draft Project Plan

Existing Standard Tenancy Agreement and Garage Licence

LONDON BOROUGH OF HARROW

Meeting:	Cabinet
Date:	29 July 2004
Subject:	Introductory Tenancies
Key decision:	No
Responsible Chief Officer:	Executive Director (Urban Living)
Relevant Portfolio Holder:	Councillor Keith Burchell Planning, Development, Housing & Best Value
Status:	Open
Ward:	All
Enclosures:	1. Introductory Tenancy Explanatory Leaflet 2. Draft Introductory Tenancy Policy 3. Proposed implementation timetable

1. **Summary/ Reason for urgency (if applicable)**

- 1.1 This report confirms the outcome of the consultation with existing secure Council tenants and those households living in temporary accommodation on the proposed implementation of an Introductory Tenancy scheme. It also outlines a proposed implementation timetable for the scheme and seeks approval to proceed.

2. **Recommendations**

- 2.1 **To note the outcome of the consultation**
- 2.2 **To approve the implementation of an introductory tenancy scheme, in accordance with the policy attached.**
- 2.3 **That a review of the scheme be reported to Cabinet after the first twelve months of operation**

3. **Consultation with Ward Councillors**

- 3.1 Not applicable

4. **Policy Context (including Relevant Previous Decisions)**

4.1 This forms part of the Council's housing service anti social behaviour strategy.

5. **Relevance to Corporate Priorities**

5.1 We will strengthen Harrow's local communities ...by promoting social inclusion amongst all our residents both young and old...and by reducing the fear of crime.

6. **Background Information and options considered**

6.1 Previous reports to Cabinet and the Tenants' and Leaseholders' Consultative Forum have set out information for Members and resident representatives about the implementation and operation of an introductory tenancy scheme.

6.2 On 15 April 2003 Cabinet resolved that:

- (1) Consultation be authorised, as proposed in paragraph seven of the Head of Housing and Environmental Health Services report on the implementation of an Introductory Tenancy Scheme as outlined in the report and the draft policy attached as Appendix A and;
- (2) A report be submitted to a future meeting of Cabinet on the outcome of that consultation so that a decision on implementation can be taken

6.3 In March 2004 a leaflet explaining the concept of Introductory Tenancies was sent to each of the Council's 6353 secure tenants. and each of the 4310 home seekers registered on Locata. They were invited to indicate whether they favoured an Introductory Tenancy scheme and to make comments if they so wished. A copy of the explanatory leaflet is attached as Appendix One.

6.4 The closing date for responses was 16 April 2004. A total of 1736 responses (16.28%) were received, with 1505 (87%) in favour of an Introductory Tenancy Scheme and 231(13%) opposed.

6.5 The number of comments made was relatively small by comparison to the total returns. A sample of the comments appears below.

Comments made by people in favour of an Introductory Tenancy Scheme

- ❖ 'Would this apply to asylum seekers?'
- ❖ 'What happens if people spend a lot of money to decorate the house... Do they get some money for decoration?'
- ❖ 'I would suggest a 6 month Introductory tenancy...'
- ❖ 'A secure tenancy would be appropriate for people over 60...'

- ❖ 'I feel that one year is not enough, as some people could keep themselves in check for a year...'
- ❖ 'As long as its not costing the Council more money... Does this apply to Housing Association tenants to?'
- ❖ Should not only apply to new tenants but to any tenant who causes anti social behaviour...'
- ❖ '...If a secure tenant moves to a new property with the Council...would they become Introductory Tenants with the new property?'

Comments made by people opposed to an Introductory Tenancy Scheme

- ❖ 'Most people want the Right to Buy. If you take that away you might as well be a Housing Association Tenant!'
- ❖ 'A failed idea in other areas. Increase cost to Council Tax'
- ❖ 'One year is not enough to prove themselves'
- ❖ 'A pointless exercise. Rules and legislation already in place to evict unsatisfactory tenants. It will only make more paperwork'
- ❖ 'Waste of money and Council resources'
- ❖ 'It makes me insecure and worried. I am a single mum...All I want is security for my baby and myself.'

6.6 Members may wish to consider whether the negative comments warrant reconsideration of the proposal to bring in an Introductory Tenancy Scheme. Both the negative and positive comments highlight the need for additional information to be given to both existing and potential tenants regarding the operation of the scheme by officers. This has been built in to the proposed implementation timetable.

6.7 It is worth noting here two of the main concerns expressed are the extent to which the scheme would apply to new tenants ie could certain age groups be exempted and that the scheme would not influence people's behaviour beyond the initial 12 months. These concerns are addressed at 6.8, 6.9, 6.10 and 6.11 below.

6.8 **Exemptions** - Section 124 of the Housing Act 1996 gives local authorities discretionary powers to establish an Introductory Tenancy scheme in their area. If a scheme is established it will apply to all new tenancies where otherwise a secure tenancy would have been granted. The Council cannot decide, for example, to offer all people aged 60 or over a Secure rather than Introductory Tenancy. The only exemptions are those lettings which would not ordinarily qualify for a Secure tenancy eg accommodation granted to a sheltered housing warden would continue to be let on a service tenancy. The situations where an exemption would arise are listed in Schedule 1 of the 1985 Housing Act.

- 6.9 **Future control of anti social behaviour** – Current legislation offers a range of tools that can be used against the perpetrators of anti -social behaviour including those who hold Secure tenancies. From 30 June 2004 local authorities, housing action trusts and registered social landlords may apply to the County Court to have a tenancy brought to an end by a Demotion Order. This process is explained below.
- 6.10 Upon granting of a Demotion Order, the tenancy is replaced with a less secure form of tenancy. The court may only make the order if the tenant, another resident of or visitor to the tenant's home has behaved in a way which is capable of causing nuisance or annoyance. In addition the court must be satisfied that it is reasonable to make the order. The Demotion Order gives a serious warning to the tenant, since if they continue to misbehave swift action can be taken to end their tenancy. It also removes a number of their tenancy rights, thereby acting as a positive incentive to the tenant to change their behaviour: if they stop causing problems, they can regain a higher level of security and rights.
- 6.11 Demotion Orders provide a clear linkage between the enjoyment of the benefits and rights of security, and responsible behaviour. The period of demotion will initially be for 12 months but may be extended if the landlord serves a notice to seek possession of the property during this period. The availability of this power further strengthens the Council's ability to deal with poor behaviour occurring outside of the first 12 months of a tenancy. Our legal advice is that we do not need to consult residents before starting to use Demotion Orders as they would be applied on case by case basis and their usage will not affect the majority of tenants.
- 6.12 The draft Introductory Tenancy policy considered by Cabinet on 15 April 2003 is attached as Appendix Two. One significant amendment has been made to it at paragraph 4.3. Previously it was proposed that a combined Tenancy Agreement/Conditions of Tenancy would be issued that would cover both secure and introductory tenants. It is now considered more appropriate to have separate agreements/conditions for both groups so that there is clarity about the rights and obligations that the different tenancies bring. When a new tenant successfully completes the twelve month introductory period they would be issued with a copy of the Conditions of Tenancy relating to a secure tenancy and would be visited by their Housing Officer so that they have the opportunity to discuss their new rights and obligations.
- 6.13 Subject to approval of the policy it is proposed to introduce the Introductory Tenancy scheme in January 2005. An outline implementation plan is attached as Appendix Three.
- 6.14 It is proposed that a report be submitted to Cabinet after the end of the first twelve months of the scheme reviewing the process and recommending any changes that may be necessary.

7. Consultation

- 7.1 The Tenants and Lessees Consultative Forum has previously considered and indicated unanimous support for the implementation of an Introductory Tenancy scheme.
- 7.2 Subject to Cabinet approval, it is the intention to consult with agencies that may assist new and potential tenants of the Council, such as the Citizens Advice Bureaux, the Housing Advice Centre, and Harrow Council for Racial Equality on the mechanics of the scheme prior to implementation.

8. Finance Observations

- 8.1 It is not possible to quantify exactly the costs of administering the Introductory Tenancy scheme; however they can be contained within the overall Housing Revenue Account budget.

9. Legal Observations

- 9.1 The draft policy sets out the legal basis for Introductory Tenancies. The previous reports to Cabinet confirmed that case law has determined Introductory Tenancies do not conflict with legislation covering human rights.

10. Conclusion

- 10.1 The consultation of existing and potential tenants demonstrates widespread support for an Introductory Tenancy scheme and it would provide a powerful additional tool to ensure good order on the Council's estates.

11. Background Papers

- 11.1 Cabinet Minutes 15 April 2003 & Tenant and Lessee Consultative Forum minutes 13 March 2003

12. Author

- 12.1 Ian C Brown, Interim Tenant Services Manager.
Tel 020 8424 1473
e-mail: ianc.brown@harrow.gov.uk

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LONDON BOROUGH OF HARROW

THE STANDARD TENANCY AGREEMENT

The agreement sets out your rights and obligations as a tenant of the London Borough of Harrow.

The Tenant's Handbook which is given to you with a copy of this Agreement, will help you to understand this Agreement. Please read these documents carefully and keep them to refer to in future.

YOUR TENANCY

- This is a weekly tenancy.
- The HOUSING ACT 1985 is the Act of Parliament which establishes the basis of this Agreement. On signing this Agreement you normally becomes a secure tenant. This means that the Council can only gain possession of your home under the grounds specified in the Act.
- Some tenancies are not secure. This is explained in the Tenants Handbook. If you are not sure what sort of tenancy you have, please ask at the Housing Department.
- As a tenant you have to abide by the terms of this Tenancy Agreement. This applies to all JOINT TENANTS jointly and severally, (that is, each joint tenant has full responsibility to comply with terms of this agreement and the terms "tenant" refers to you individually as well as jointly).

SECTION A - THE COUNCIL'S OBLIGATIONS

1. YOUR RIGHT TO REMAIN IN OCCUPATION

If you are a secure tenant the Council shall not interfere with your right to remain in your Home and to quiet enjoyment of it unless one or more have the following occur: -

- (a) There is a breach of any of the tenant's obligation in this Agreement.
- (b) The accommodation was provided as a result of false information knowingly or recklessly given.
- (c) The tenancy is assigned to another tenant or a member of the tenant's family in exchange, and a money payment was made in connection with the exchange.
- (d) The accommodation was made available while works were being carried out to the tenant's principal home, and the works are now completed.
- (e) Possession is required to carry out works to the property or a redevelopment or major rehabilitation scheme which cannot reasonably be carried out if the tenant does not move.
- (f) The premises have been specifically designed or adapted for the physically disabled or provided to meet other special needs, and the persons in residence no longer need these provisions but the Council require the premises for a household with those physical disabilities or special needs.
- (g) The tenant (other than the former tenant's spouse) succeeded to the tenancy and is under occupying the premises.
- (h) The premises are overcrowded to such an extent as to render the occupier guilty of an offence.
- (i) The Council has any other grounds for possession under Schedule 2 of the Housing Act 1985 Parts I, II and III.

2. REPAIRS AND MAINTENANCE

The Council is obliged to maintain and repair: -

- (a) The structure, exterior and common parts of the building, including drains, gutters and external pipes.
- (b) Gas, electricity and water installations from the meter or stop-cock throughout the building, but not the meter and the mains supply to it.

If you pay a charge to the Council for hot water and heating the Council will refund these charges if these services are not restored within two working days of notification.

- (c) Lifts and other communal amenities such as door entry systems where these are provided.
- (d) External painting in accordance with the Council's policy.

The Council reserves the right to charge the tenant for any repairs to the premises and communal amenities caused by wilful damage or neglect by the tenant. This includes members of the tenant's household and visitors.

3. OTHER OBLIGATIONS

The Council shall: -

- (a) Where reasonably practicable make reasonable arrangements to enter the premises on prior notice to the tenant for inspection and to carry out repairs and other works.
- (b) In case of emergency enter the premises without prior notice to the tenant to prevent personal injury or damage to property and make good any damage howsoever arising.
- (c) Consult with tenants about important changes in housing policy and practice where these will result in significant changes in services to tenants.
- (d) If a tenant gets into rent arrears, enquire as to the reasons and offer advice on housing benefit before taking legal proceedings.

SECTION B - THE TENANTS OBLIGATIONS

Under the terms of this agreement, you are required: -

1. RENT

To pay the rent or any other charges regularly and promptly.

2. USE AND OCCUPATION OF THE PREMISES

- (a) To occupy the property as your only or principal home.
- (b) Not to permit the premises to become statutorily overcrowded.
- (c) To use the premises and the Council's fixtures and fittings in a proper and caring manner. Not to commit, or allow to be committed any acts of wilful damage, graffiti or other acts of defacement to the premises and estate. You shall repay the Council for the cost of any works carried out as a result of misuse or neglect.
- (d) Not to run a business from the premises.

3. CONDUCT

(a) Not to do or allow anything to be done which is illegal or which is a nuisance or annoyance to:

and

(b) Not to commit, or permit others to commit any act of harassment or racial harassment of: -

neighbours, people living in the immediate vicinity of the dwelling, street or estate, regardless of whether they are Council tenants or owner occupiers and including people using local facilities, shops, footpaths, amenity areas, children on their way to school and elderly people using day care or sheltered housing facilities.

4. ASSIGNMENT OF THE TENANCY

(a) Not to assign the tenancy other than by way of Mutual Exchange with another secure tenant or assured tenants of a registered housing association or housing trust which is a charity.

(b) To obtain the Council's written consent to a Mutual Exchange. If the Council withholds consent it will serve a notice on you within forty-two days of the date of application for consent specifying the reasons for refusal.

5. LODGERS AND SUB-TENANTS

(a) To obtain the Council's written consent before sub-letting or parting with possession of part of the premises. You cannot move out and sublet the whole of the premises to someone else.

(b) To inform the Council in writing of you take in lodgers.

6. PARKING

(a) Not to park any private motor vehicle, caravan or boat on the premises unless proper provision is made.

(b) Not to park any trade or commercial vehicle requiring an operators licence (ie. more than 1525 Kg in weight eg. larger than a transit van) on or adjacent to the premises or on any communal part of the estate.

7. ADVERTISING

Not to exhibit commercial advertising material in, on or about the premises without the written consent of the Council.

8. ACCESS

To allow authorised employees of the Council and its agents on production of their formal Identification to enter the premises to inspect the property or carry out repairs.

9. DEFECTS

To inform the Council immediately of any defect in the premises. The Council shall charge you any additional costs of damage caused due to the failure to promptly report a defect.

10. INTERNAL DECORATIONS

To keep the interior of the premises in reasonable decorative order. In the case of elderly or disabled persons the Council may release the tenant from this obligation and carry out the internal decorations on the tenant's behalf.

11. ALTERATIONS

To obtain the Council's written consent before making any alterations or additions to the premises. This includes the erection of any out-building and wireless or television aerial (terrestrial or satellite). The Council shall not unreasonably withhold this consent.

12. GARDENS

To keep the garden in a clean and tidy condition and to maintain all boundary fences. The Council may release elderly or disabled tenants from these conditions and have the work carried out at the expense of the Council in line with its policies.

13. CLEANING COMMUNAL AREAS INSIDE BLOCKS

If the tenancy is of a flat or maisonette, to keep common parts adjacent to the dwelling clean and free from obstruction. To share with other tenants and leaseholders the cleaning of internal entrance lobbies, staircases, landings and passages. Elderly and disabled tenants may be released from this responsibility.

14. PETS

- (a) To ensure that dogs and all domestic pets and other animals are kept under proper control and do not cause a nuisance to any person.
- (b) Dogs and cats are not to be kept in sheltered dwellings.
- (c) Dogs are prohibited in all flats and maisonettes for tenancies commencing after 1st April 1992, except in the case of guide dogs for the blind.

15. TERMINATION OF TENANCY

- (a) To give the Council 4 weeks written notice, to expire on a Monday, when you wish to end the tenancy.
- (b) To return all keys to the Housing Department at the end of the tenancy. The premises must be cleared. Any belongings left will be disposed of by the Council. The premises must be left in a relettable condition. The costs of any works to bring the premises back to a lettable standard will be charged to the tenant responsible.
- (c) The Council shall be required to serve a tenant, who no longer occupies the premises as his/her only principal home, with a Notice to Quit either by delivering the Notice, by hand, to the tenants last known residence in the United Kingdom, or by sending it by Recorded Delivery or Registered Post to the said place of residence.

16. RESPONSIBILITY FOR OTHER PERSONS ON THE PREMISES

To ensure the compliance with these obligations of all members of the family, including children living with the tenant, and other family members, visitors, guest, friends, relations, lodgers and sub-tenants regardless of whether they are living at the premises, visiting or temporarily staying. You are responsible for all damage or acts of nuisance or harassment caused, and will meet the cost of making good any damage. Any breach of these obligations can result in possession proceedings being taken against you.

17. PROTECTION OF COUNCIL STAFF

To ensure that you, members of your households and visitors do not subject Council employees or servants of the Council to any physical or verbal abuse, harassment or racial harassment. This includes acts which are likely to insure, intimidate, cause alarm or distress.

SECTION C - VARIATION OF THIS AGREEMENT

- (1) The Council may vary these Conditions by notice served on the tenant, but only after its consultation procedure has been followed.
- (2) The Council may vary the rent and other charges by notice served on the tenant in writing.
- (3) The Council shall be required to serve any Notice, to include a Notice of Variation n rent, a Notice of Variation to the terms of the Tenancy Agreement or a Notice Seeking Possession by delivering the Notice, by hand, to the tenants last known residence in the United Kingdom, or by sending it by post, or by Recorded Delivery or Registered Post to the said place of residence.

Revisions to Secure Tenancy Agreement and Garage Licence &

Implementation of Introductory Tenancies

Project Plan

	Task/Outcome	Key Dates	Who	Completed?
	Complete draft secure tenancy agreement (STA), garage licence (GL) and Introductory Tenancy Agreement (ITA)	By 30 November 2004	DH	
	<ul style="list-style-type: none"> ❖ Engage Office of Fair Trading to comment on second draft of STA/GL ❖ Engage Plain English Campaign to comment on second draft of STA/GL 	By 30 November 2004	RB	
	Amendments to ITC (Anite) - Identify	By 30 November 2004	BD/KSR	
	<p>Send out first drafts of STA/GL/ITA for comment to:</p> <p>Senior housing managers, all landlord services staff, HFTRA, HAC, Legal Services, HCRE, TRA's, Keith Burchell, Adrian Knowles, Paddy Lyne and Bob Currie, shadow board</p>	<p>By 4 December 2004</p> <p>Return date for comments 18 December 2004</p>	DH	

	Write procedures for ITA confirm necessary delegations and appeal review process	By 10 December 2004	DH	
	Task/Outcome	Key Dates	Who	Completed?
	<ul style="list-style-type: none"> ❖ Make printing/postage arrangements for consulting secure tenants and garage licensees on 11 February 2005 ❖ Make printing/postage arrangements for formal notification of introduction of new STA/garage licence on 26 April 2005 ❖ Plan Homing In publicity 	Both by 18 December 2004	<p>???????</p> <p>DH/ND/BD</p>	
	Amend STA/ GL/ITA as necessary	By 1 January 2005	DH/ND/BD	
	TLCF	6 January 2005	DH	
	Send second drafts of STA/GL/ITA to Office of Fair Trading & Plain English Commission (PEC) for comment	By 7 January 2005	S&R Team	
	Comments returned by Office of Fair Trading & Plain English Commission (PEC)	By 30 January 2005 (TBC)		
	Incorporate changes suggested by Office of Fair Trading & Plain English Commission (PEC)	Working group agrees final changes by 4 February 2005	DH/Legal	
	Deadline for notification of items for March TLCF	4 February 2005	DH	Done
	Send out STA to all secure tenants (first class) and GL to all garage licensees	By 11 February 2005	Printers	

	Task/Outcome	Key Dates	Who	Completed?
	Deadline for sending draft TLCF reports to Legal and Finance	11 February 2005	DH	
	Deadline for sending final TLCF reports to the Chair	11 February 2005	DH	
	Consultation period starts	14 February 2005	Note	
	Print deadline for TLCF reports	18 February 2005	DH	
	<ul style="list-style-type: none"> ❖ Publicity ❖ Staff, Member and TRA representative training 	Feb-March 2005	DH	
	Deadline for notification of items for April Cabinet	15 March 2005	DH	Done
	Deadline for sending draft Cabinet reports to Legal and Finance for April Cabinet	17 March 2005	DH	
	Consultation period ends	20 March 2005	Note	
	Analysis of responses and drafting of report to Cabinet	20- 24 March 2005	DH/DM's	
	Deadline for sending final Cabinet reports to the Chair	24 March 2005	DH	
	Print deadline for Cabinet reports	1 April 2005	DH	
	Despatch of Cabinet Reports	6 April 2005	DH	
	Cabinet	14 April 2005	DH	
	Send STA to printers	19 April 2005		
	Task/Outcome	Key Dates	Who	Completed?
	Send out STA to all secure tenants (first class)	26 April 2005	Printers	
	Start date for new STA/GL	2 May 2005	Note	

GARAGE LICENCE AGREEMENT

THIS AGREEMENT is made on theday of

Between the LONDON BOROUGH OF HARROW (“the Council”) and

Name.....(“the Licensee”)
(Print name in full)

of.....
(Full address)

WHEREBY IT IS AGREED AS FOLLOWS:

The Council hereby gives authority for the Licensee to use, effective from

Monday, the.....day of.....

Garage/Car Space No.....
(Print full address)
..... (“the Garage”)

for the purpose of garaging the following nominated Motor Car/Motor Cycle:-

Reg.No.....Make.....Model.....Colour.....

(The Licensee must notify the Council in writing of any change to the nominated vehicle (either in its colour or registration number or by nominating a different motor car/motor cycle in substitution of the original).

1. PERIOD OF LICENCE- THE LICENSEE AGREES THAT:

This is a weekly licence commencing or terminating on a Monday. The licence fee is calculated on a 52 weeks basis.

2. LICENCE FEE-FOR COUNCIL TENANTS-THE LICENSEE AGREES TO AND WILL:

- a) Make all payments of the licence fee to the Council Offices, Station Road, Harrow or at a Post Office using the Giro slips in the licence fee payments book provided.
- b) Pay the licence fee weekly in advance on a Monday. If the licence fee account falls in arrears, the Council may terminate the licence.
- c) Payments of the licence fee by Standing Order or Direct Debit must be paid monthly in advance on the nearest working day to the fourth day of a calendar month.
- d) Pay a bi-annual Service Charge of £2.50, to cover costs of account statements and any other communication sent by the Council. These costs would be debited to the Licensee’s garage licence fee account and must be settled at the time of making the usual licence fee payment.
- e) Pay a deposit of £20.00 (returnable at termination of this Licence) for the computer-designed key to the underground parking car space at Churchill Place. (This charge relates only to the Licensees of the car spaces at Churchill Place).

3. LICENCE FEE-FOR NON-COUNCIL TENANTS-THE LICENSEE AGREES TO AND WILL:

- a) Pay the licence fee monthly in advance by Direct Debit on the fourth day or nearest working day to the fourth day of a calendar month. If the licence fee account falls in arrears, the Council may terminate the licence.
- b) Pay an administration fee equivalent to two week's licence fee along with the first licence fee payment.
- c) Pay a bi-annual Service Charge of £2.50, to cover costs of account statements and any other communication sent by the Council. These costs would be debited to the Licensee's garage licence fee account and must be settled at the time of making the usual licence fee payment.
- d) Pay a deposit of £20.00 for the computer-designed key to the underground parking car space at Churchill Place. (This charge relates only to the Licensees of the car spaces at Churchill Place).

4. VARIATIONS TO LICENCE FEE, ADMINISTRATION, SERVICE CHARGES OR OTHER TERMS- THE LICENSEE AGREES TO AND WILL:

Accept and abide by the Council's discretion to vary the licence fee, the service charges, other charges or any terms of this Licence by one week's written notice given to the Licensee.

5. LIMITATIONS OF USE- THE LICENSEE AGREES TO AND WILL:

- a) Not use the garage other than for parking of the nominated motor vehicle mentioned above. However, the Council may consider allowing storage of goods. The Licensee must obtain the Council's prior written consent to the storage of the goods. The consent, if granted by the Council may be subject to conditions such as, health and safety issues and planning control permission which the Licensee would need to obtain.
- b) Abide by the Council's decision on whether storage of specified items and/or other goods is permitted or not. The Council may withdraw its consent for storage at its discretion by written notice given to the Licensee.
- c) Not use the garage or the compound area in which the garage is situated for any trade or business. Failure to disclose business use will be in breach of this Licence and the Council may terminate the licence.
- d) Not use the garage for any illegal or immoral purposes and will not do or permit to be done, any act or thing which may cause nuisance, annoyance or inconvenience to other Licensees, or the occupiers of any part of the building of which the said garage forms part of, or to the occupiers of neighbouring garages or buildings.
- e) Not undertake repairs, other than those required for routine maintenance or servicing of the nominated motor vehicle nor use re-spraying equipment. The Licensee shall not fix or use any gas engine or other power driving machinery in the garage.
- f) Not keep, whether permanently or temporarily, any petrol, diesel, benzol, or other motor spirit (except that which may be contained in the tanks of the nominated motor car/motor cycle or any other explosive, inflammatory oils, or substances in the garage. Further, not keep, permanently or temporarily, any empty containers for substances mentioned above, in the garage.

6. MAINTENANCE OF THE GARAGE-THE LICENSEE AGREES TO AND WILL:

- a) Take care of the garage and its fixtures and fittings and not make any alterations or additions to the garage. Notify the Council immediately of any defect or repair needed to the garage and compound area including drains and other services.
- b) Be responsible for and indemnify the Council for the cost of repairing or replacing the fixtures or fittings or damage to the garage, if such damage is considered by the Council to have been caused deliberately, through neglect or carelessness on part of the Licensee.
- c) Keep the garage including the doors, window, gutters, and fixtures and hard surfacing in the compound area in which the garage is situated in a good, clean and orderly condition.
- d) Permit the Council its employees, agents or workmen upon reasonable notice (except in emergency) to enter upon and inspect the state of repair, cleanliness and/or usage of the garage at all reasonable hours of the day and execute any repairs required therein.

7. OTHER CONDITIONS APPLICABLE-THE LICENSEE AGREES TO AND WILL:

- a) Keep the doors closed and locked at all times when the garage is not in use and entrance gates to the garage compound, where they exist.
- b) Reimburse the Council if any special cleansing (including removal of blockages in drains) is required to the garage or the compound area due to the Licensee having allowed the same to become dirty or infested by vermin.
- c) Not pass or cause or permit to be passed into the drains serving the garage or the compound in which the garage is situated any petroleum spirit or oil.
- d) Not use any lighting in the garage other than electric lighting.
- e) This licence is personal to the Licensee only and the Licensee may not permit any third party to make use of either the whole or any part of the garage or the whole or any part of the compound area for any purpose whatsoever.
- f) Park the registered vehicle in the garage only and not on the forecourt in front of the garage.
- g) Not use the garage or the compound area for any form of advertising whatsoever.
- h) Not deposit or cause to be deposited litter or other materials in the compound in which the garage is situated or in any access way.

8. THE COUNCIL'S UNDERTAKING-THE COUNCIL AGREES TO:

- a) Be responsible for repairing or replacing the fixtures or fittings or damage to the garage, if such damage is considered by the Council not to have been caused deliberately, through neglect or carelessness on part of the Licensee.
- b) Take action as soon as notification is received from the Licensee of any defect or repair needed to the garage and compound area including drains and other services.
- c) Arrange with the Licensee for its employees, agents or workmen (except in emergency) to enter upon and inspect the garage at reasonable hours of the day for the repairs required.
- d) Once the initial inspection has been carried out (except in emergency) instruct its agents or workmen to carry out the repairs to an acceptable standard.

9. INSURANCE- THE LICENSEE AGREES TO AND WILL:

Not commit any action or act of negligence likely to invalidate the Council's insurance. The Council's insurance does not cover any damage or loss to the nominated vehicle or to any other belongings of the Licensee, howsoever caused. It does not cover personal injury of any nature to either the Licensee and/or any other person or persons frequenting the garage at the invitation or otherwise of the Licensee.

10. INDEMNITY- THE LICENSEE AGREES TO AND WILL:

Keep the Council fully indemnified in respect of all loss or damage (howsoever caused) occasioned to the Council's property (other than reasonable wear and tear). The indemnity will also include the property of any other person, or in respect of any injury sustained by any person occasioned through the use or misuse by the Licensee.

11. TERMINATION - THE LICENSEE AGREES TO AND WILL:

- a) Terminate this Licence by giving the Council one weeks Notice, in writing, to expire on a Monday, but subject and without prejudice to the rights and remedies of the Council in respect of any sums payable, or in respect of any breach by the Licensee of the terms of this Agreement.
- b) Upon termination of the Licence Agreement, leave the garage clear of all belongings and in reasonable condition, fair wear and tear excepted. Any belongings left and not claimed by the Licensee within ten working days from the date of termination of the Licence may be treated as abandoned and be disposed off by the Council.
- c) Reimburse the Council on demand the full cost of any cleaning, clearance or repair necessitated by the Licensee failing to leave the garage in accordance with the Licensee's obligations under any of the Terms of this Licence.
- d) Ensure that all keys are labeled and returned to the Council on termination and reimburse the Council on demand the cost of replacing keys not returned.
- e) Serve any Notice, in writing, on the Council by delivering it to the offices or posting it by Registered Post or Recorded Delivery, at the Housing Department, P.O Box 65, Youngmans Building 11, Civic Centre, Station Road, Harrow, HA1 2XG.
- f) Abide by the Council's decision to terminate the Licence having received one week's Notice in writing to expire on a Monday, or by immediate notice if the Licensee has breached any of the terms of the Licence.
- g) Accept that any Notice (including any consent) served on the Licensee by the Council shall deemed to have been served when it has been delivered to the garage or the Licensee's listed home address, or 24 hours after posting the Notice by first class post to the Licensee's listed home address. A certificate of posting shall be conclusive evidence of posting and of subsequent service. A Notice shall be sufficient if addressed to the Licensee by name or to the Licensee and shall remain valid notwithstanding the prior death of the Licensee.

12. DECLARATION BEFORE SIGNING THIS LICENCE

I, the Applicant have been given the opportunity to ask the Council and its Officer on general matters about the Licence. I have been given the opportunity to seek independent legal advice before signing this Licence. I have read and understood the implications of signing this Licence. I agree to and will abide by all the Clauses of this Licence. I acknowledge receipt of.....key(s) for the garage which are returnable upon surrender or termination of this Licence.

Signed.....Date.....
(Licensee)

Signed.....Date.....
(Officer, On behalf of the London Borough of Harrow)



Meeting:	Tenants' and Leaseholders' Consultative Forum
Date:	Thursday 6 January 2005
Subject:	Options Appraisal
Responsible Officer:	Acting Head of Housing Services
Contact Officer:	Acting Tenant Services Manager
Portfolio Holder:	Planning, Development, Housing and Best Value Portfolio Holder
Key Decision:	No
Status:	Public

Section 1: Summary

Decision Required

1.1 That the report be noted.

Reason for report

1.2 This report provides information on the Option Appraisal process the Council must undertake by July 2005.

Benefits

1.3 Not Applicable

Cost of Proposals

1.4 The costs of the Options Appraisal process will be met from existing resources.

Risks

1.5 Not Applicable

Implications if recommendations rejected

1.6 Not applicable

Section 2: Report

2.1 Brief History

The Council completed a financial and stock appraisal of options for the management and improvement of its stock in 2000. This highlighted that the best option for the Council was to set up an arms length management organisation (ALMO).

Financial regulations changed in April 2004, allowing the Council to borrow money to carry out works to its properties. This option appears to be better value for money and may also mean that more work to improve the environment on our estates could be undertaken. Cabinet took a decision in November 2004 not to proceed with the ALMO option and to examine prudential borrowing in greater detail.

Because we are now looking at this different option, the Government requires the Council to revisit its options appraisal and re-evaluate its stock condition and finances. Residents need to be involved all the way through the process to ensure any decisions taken about the future of the stock are the right ones. This process must be completed by July 2005.

What is involved with the project?

- Evaluation of council housing stock to determine what improvements are needed and where
- Evaluation of options for different estates and to ensure any improvements take into account the wishes of local residents
- Financial options appraisal to determine the best method of funding the work the Council needs to do.
- Tenant and resident empowerment and participation throughout the process, including developing a communications strategy and tenant empowerment strategy with residents and communicating regularly through newsletters and meetings
- The appointment of an independent tenant advisor to work with residents in assessing the options and to ensure all residents, including those from hard to reach groups, are included

Who will be involved?

- Officers
- Members
- Tenant and resident representatives
- Stakeholders, for example housing associations
- Independent Tenant Advisor
- Options Appraisal consultant to carry out the financial appraisal
- Community Housing Task Force and Government Office for London to oversee the process and agree the final document

Lead Officer responsibilities will be as follows:

- Anna Robinson – Delivery of the approved option appraisal by the end July 2005 and ongoing reporting to the Member Panel (see below), Government Office for London and Community Housing Task Force
- Rebecca Caprara – Management of the consultation process, management of consultants, communications, coordination of the option assessments for working group consideration
- Alison Pegg – Social inclusion & area renewal strategies and action plans; decent homes standards and resident involvement specification, estate options evaluation
- Gwyneth Allen – Stock condition survey, analysis and reports
- Simon Waple – ALMO audit information; financial appraisals of options

2.2 Options considered

Not applicable

2.3 Consultation

Not applicable in relation to this report but the Options Appraisal process will, as detailed above, require extensive consultation.

2.4 Financial Implications

The costs of the Options Appraisal process will be met from existing resources.

2.5 Legal Implications

None in respect of the recommendation for this report

2.6 Equalities Impact

None

Section 3: Supporting Information/ Background Documents

For further information, please contact:

Rebecca Caprara, Strategy and Resources Manager
Tel 020-8424-1339 e-mail: rebecca.caprara@harrow.gov.uk

Information about options appraisals can also be found on the ODPM website at www.odpm.gov.uk under the housing section

Ian C Brown
Acting Head of Housing Services

TENANTS' AND LEASEHOLDERS' CONSULTATIVE FORUM – 6 JANUARY 2005

REQUEST FOR ITEMS TO BE INCLUDED ON THE AGENDA

Please include the following items on the agenda for the above meeting. (Associations are asked to provide sufficient additional or supporting information to allow a response to be prepared, where appropriate. Please continue overleaf or on a separate sheet of paper if required.)

(The Terms of Reference of the Consultative Committee require all individual estate items to have been previously referred to the appropriate Division/Department. To allow their inclusion on the Agenda for the meeting, Associations are asked to provide brief details of any previous contact made with Council officers on the issues raised.)

Issue Raised

Estate inspection report dated 22/6/04 Cottesmore TRA asked for alleyways to be gated or blocked off do we have answers yet

81

What is happening about the tree programme on Cottesmore This was brought up at the last TLCF October 04- must have reply concerning 43 Hanselin this tree is now over thirty feet tall

Oak tree nr to 48 Chenduit way tenant still not happy about size of this tree so nr to her house tenant does not want tree taken down just one branch to be removed

Again why should tenants be expected to shoulder the responsibility of removing trees in their gardens when they did not plant them i.e no 10 Algar Close no 12 Algar close no 43 Hanselin Close

How often do drains, roads and paths and house guttering get swept or cleaned, as Cottesmore has so many trees it must be up to council services to constantly keep these clear of debris

Why has Cottesmore to wait again for double glazing until 06/07 we where told this would start 05/06 are we to be shoved aside once more is it because we are such a small estate and no one seems to be bothered with us

Is this a matter of Housing Management Policy? YES/NO

Individual Estate Issues Discussed with: Name of Officer Dates

No 10 Algar two disabled tenants live in this house can I have an answer to the request for a new bathroom to assist them could a shower unit be fitted as the younger tenant can no longer get into a bath
16 chenduit way tenant was promised a higher fence and gate why has this not been implemented –fence has only been repaired perhaps the council would like to wait until youths break into her home and cause her personal damage
Are we to have the front of our estate railed off – the green at the front of this estate would make a wonderful play area for the children on this estate the small play area is used by youths not from this estate to partake of drugs and drink this behaviour goes on until the early hours of the morning and is unacceptable to people who live in close proximity to this small play ground
We have asked for one raised bed at the top of this estate to be removed to make room for more parking spaces this estate was built nearly thirty years ago and the volume of cars has trebled since then there would be no access for an ambulance to gain entry should an emergency occur

Signed: ..Sylvia Robinson
TRA

Date:.....24/11/04.....

Contact Address:55 Hanselin Close Stanmore HA7 3NJ Tel
8420 6587
November 2004 to the TLCF Admin, Committee Section, Civic Centre, Station Road, Harrow, HA1 2UH.

Association:.....Cottesmore

Please return this form by 25



Meeting:	Tenants' and Leaseholders' Consultative Forum
Date:	Thursday 6 January 2005
Subject:	Matters raised by Cottesmore Tenants and Residents Association
Responsible Officer:	Acting Head of Housing Services
Contact Officer:	Acting Tenant Services Manager
Portfolio Holder:	Planning, Development, Housing and Best Value Portfolio Holder
Key Decision:	No
Status:	Public

Section 1: Summary

Decision Required

1.1 That the report be noted

Reason for report

1.2 This report provides a response to issues raised by the Cottesmore Tenants and Residents Association

Benefits

1.3 Not applicable

Cost of Proposals

1.4 Not Applicable

Risks

1.5 Not Applicable

Implications if recommendations rejected

1.6 None

Section 2: Report

2.1 Brief History

The issues in this report were raised by the Cottesmore Tenants and Residents Association in a written request submitted in November 2004.

Gating of footpaths

The Metropolitan Police made recommendations in respect of the alleyways in a letter of 23 April 2004. The recommendation was that:

“ The alleyways need to be gated and tenants who have rights of access could be given keys. This will remove the natural escape routes and make it more difficult to evade capture”.

The footpaths are subject to public rights of way and all the residents of the estate (if not the public at large) are equally entitled to use the alleyways. It is possible to gate footpaths in these circumstances but certain criteria need to be

met, including clear evidence of anti social behaviour attributable to the footpaths. The District Manager wrote to the Metropolitan Police on 2 August 2004 requesting crime data so that we could consider the “level of the problem we are attempting to deal with”. To date we have not received a response.

A fresh request has been made to the Police and the TRA are being kept informed of progress. If the criteria are met a consultation exercise will need to be carried out on the estate and all of the implications of gating fully considered. One potential difficulty that could arise is that if the alleyways are gated this may create a “no man’s land” between the two gates which become a dumping ground for rubbish.

Tree Management

Arrangements have previously been made to remove the conifers from the back garden of 43 Hanselin Close but there were access problems when the contractors attended. The work is being rescheduled.

It has been agreed with the TRA that the other work detailed in their submission will be undertaken as soon as possible, provided the tress are not subject to preservation orders, and that thereafter all future tree work will be in strict accordance with the Tree Management Plan for the estate.

Gulley Cleaning

This work is carried out by Harrow Contract Services on an annual basis and was last undertaken in June 2004.

Double Glazing

Steps are being taken to revise the planned maintenance programme in view of the levels of funding available following the decision not to proceed with the ALMO. At the present time the Cottessmore estate is included in the programme for window replacement 2006/7 but this may change as the priorities are being reviewed.

10 Algar Close- Adapataions

No application has been received from the tenants but the matter will now be referred to the Occupational Therapy team who undertake the initial assessments.

16 Chenduit Way - Fencing

It was previously agreed that the fencing at both the side and front of the property would be repaired and this work has been completed. The height of the fence is

consistent with other fencing in the area and there are no plans to increase its height.

Fencing at the front of the estate

The missing coping bricks have been replaced on the existing boundary wall. The proposed fencing will be considered for funding from the Minor Estate Improvement Budget for 2005/06 and quotations are being sought.

2.2 Options considered

Not applicable

2.3 Consultation

Not Applicable

2.4 Financial Implications

None

2.5 Legal Implications

2.5.1 The proposal to gate the footpath outlined in paragraph 2.1 would require a special public path extinguishment order or public path diversion order to be made by the Council under the Highways Act 1980. The order would be subject to confirmation by the Secretary of State in the event of objections.

2.5.2 An order can only be made where adjacent premises are affected by high levels of crime and the existence of the footpath is facilitating the persistent commission of offences.

2.5.3 Before confirming an order the Council or the Secretary of State is required to consider whether It is expedient having regard to:-

- (a) whether it is consistent with the crime reduction strategy
- (b) (where a public path extinguishment order is proposed) the availability of a reasonably convenient alternative route and if there is no reasonable alternative route whether it would be more practical to divert the footpath
- (c) the effect of the order on any land served by the existing footpath and (where a diversion order is proposed) the new footpath
- (d) whether any person has any rights to compensation in the event that the path is extinguished or diverted.

2.6 Equalities Impact

None

Section 3: Supporting Information/ Background Documents

Cottesmore Tree Management Plan 2003

Ian C Brown
Acting Head of Housing Services

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HARROW COUNCIL LONDON
 30 NOV 2004
 Rec'd in Room 121
 Reception

TENANTS' AND LEASEHOLDERS' CONSULTATIVE FORUM - 6 JANUARY 2005

REQUEST FOR ITEMS TO BE INCLUDED ON THE AGENDA

Please include the following items on the agenda for the above meeting. (Associations are asked to provide sufficient additional or supporting information to allow a response to be prepared, where appropriate. Please continue overleaf or on a separate sheet of paper if required.)

(The Terms of Reference of the Consultative Committee require all individual estate items to have been previously referred to the appropriate Division/Department. To allow their inclusion on the Agenda for the meeting, Associations are asked to provide brief details of any previous contact made with Council officers on the issues raised.)

<u>Issue Raised</u>	<u>Is this a matter of Housing Management Policy? YES/NO</u>	<u>Individual Estate Issues Discussed with:</u> <u>Name of Officer</u>	<u>Dates</u>
MINOR ESTATES, FENCING, ALLEYS, GEOMETRE, VERGES, OO	YES	DAVID HOOPER FRANK AUSTIN	VARIOUS
DOUBLE GLAZING SURVEY HOW LONG SHOULD SNAGGING WORKS TAKE	YES	CYNETH ALLEN IAN BROWN + OTHERS	VARIOUS
TIME DELAYS ARE UNACCEPTABLE	YES		

Signed: Gordon Walker Association: Enochite Lane tenants res assoc Date: 24/11/04
 Contact Address: 1 STURNT AVENUE SOUTH HARROW HA2 9BA Tel: 8 42310749

Please return this form by 25 November 2004 to the TLCF Admin, Committee Section, Civic Centre, Station Road, Harrow, HA1 2UH.

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Meeting:	Tenants' and Leaseholders' Consultative Forum
Date:	Thursday 6 January 2005
Subject:	Matters raised by Eastcote Lane Tenants and Residents Association
Responsible Officer:	Acting Head of Housing Services
Contact Officer:	Acting Tenant Services Manager
Portfolio Holder:	Planning, Development, Housing and Best Value Portfolio Holder
Key Decision:	No
Status:	Public

Section 1: Summary

Decision Required

1.1 That the report be noted

Reason for report

1.2 This report provides a response to issues raised by the Eastcote Lane Tenants and Residents Association

Benefits

1.3 Not applicable

Cost of Proposals

1.4 Not Applicable

Risks

1.5 Not Applicable

Implications if recommendations rejected

1.6 None

Section 2: Report

2.1 Brief History

The issues in this report were raised by the Eastcote Lane Tenants and Residents Association (ELTRA) in a written request submitted in November 2004.

Minor Estates Improvement (MEI) Projects

There are a number of MEI projects carried over from previous years. AE Williams, one of the Council's responsive repairs partners, have been asked to complete these by 31 March 2005, together with the projects agreed for funding this year (2004/05). In the ELTRA area the projects are:

- Fencing around blocks 4, 6 and 28 Stuart Avenue.
- Lighting for the rear of blocks 4, 6 and 28 Stuart Avenue. This will include lighting the garage area by block 4.

- The removal of a raised flowerbed at Meadfield sheltered block
- The removal of cobbles around blocks 4, 6 and 28 Stuart Avenue – in one area only initially as a test.
- The demolition of garages 1-4 Stuart Avenue to create an additional 6-7 parking spaces
- The redesign of the bin areas at blocks 4, 6 and 28 Stuart Avenue – The bin areas have been assessed as having limited options for redesign but we are continuing to look at this with AE Williams and ELTRA. It may therefore not be possible to complete this work by year end.
- Incorporation of the alleyway serving 31-43 Kings Road into the gardens of those homes–The views of residents affected are being sought. If agreement is reached, this can be included with the above work.
- Hamilton Crescent Verges – Following a site meeting with Councillor Currie earlier this year the Estates Liaison Officer approached the Highways Division again in an effort to resurrect the ELTRA proposal to hard surface verges in Hamilton Crescent to improve parking in the area. The New Harrow Project have also been asked to consider the issue and potential solutions. As yet Highways have not confirmed they will match fund the proposal but the early indications are promising and the project is being serious consideration.

Window Replacement Programme

The making good required following the window replacement programme in Eastcote Lane is now some 80% complete. This work has taken longer than it should have done, however, there are some properties where the making good is difficult to complete, as the Council is unable to obtain access from tenants.

2.2 Options considered

Not applicable

2.3 Consultation

Consultation has been undertaken with ELTRA and HFTRA in respect of the MEI projects.

2.4 Financial Implications

All MEI projects have agreed funding from the current MEI budget.

2.5 Legal Implications

None.

2.6 Equalities Impact

None

Section 3: Supporting Information/ Background Documents

None

Ian C Brown
Acting Head of Housing Services