Appendix 1: Comments and recommendations made by the Overview and Scrutiny Committee - Standing Scrutiny Review of the Budget in the report on the Self Financing of the Housing Revenue Account

Recommendation / Comment number	Recommendation / Comment	Actions required	By whom and when
1	The Standing Review welcomed the cross-organisational co-operation described by officers intended to address increased housing need in Harrow, especially increased housing need for affordable housing options. The Standing Review also supported the continued provision of affordable homes in partnership with other organisations, especially housing associations, subject to our ability to secure nomination rights. The Standing review did, however, feel that the Council should be more vigorous and innovative in developing and implementing a Hidden Homes strategy for Harrow.	An external review has been commissioned in respect of options that may be available to the Council for the provision of new affordable housing. The project will look at the options available for land and sites within the Housing Revenue Account, but will also link into land or sites that may be held corporately with a view to maximising the overall development potential and the delivery of affordable homes. This work will necessarily encompass a review of the potential for Hidden Homes. We anticipate that the report produced at the end of the review will provide guidance as to the optimum way forward for Harrow, and will enable work to commence on an initial delivery programme, as well as longer term proposals. The steering group established to oversee the project consists of officers from Housing, Planning, Place-Shaping and Finance. Prior to the review commencing, we have submitted a bid under the Mayor's Housing Covenant for funding towards a small development scheme of shared-ownership family-sized housing on redundant garage sites. This will ultimately be incorporated into the overall proposals arising from the review.	Housing, Planning, Place-shaping, Finance Steering Group overseeing the project which is due to report by the end of March 2013 Alison Pegg/Dave Roberts submitting bid/ response expected in January

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2	The Standing Review was interested to learn about Harrow developing financial incentives – such as cash incentive deposit schemes – to assist tenants qualifying for Right-to- Buy to move on to home ownership but without the permanent reduction in the Council's housing stock that their exercise of RTB would cause.	The first tranche of this cash incentive scheme is scheduled to commence in early 2013/14, and work will be carried out over the remaining months of this financial year to finalise our "offer" and the details of how the scheme will operate in practice, as well as starting to identify the potential "target audience" likely to be interested in pursuing this. In addition to this, we proposing to implement an enhanced Private Sector Leasing scheme, under which we will offer an up-front payment to prospective landlords to induce them to enter into a 5-year lease with the Council. We will then use these properties to house people currently in Bed and Breakfast accommodation. These proposals have the support of the Tenants, Leaseholders and Residents Consultative Forum (TLRCF).	Jon Dalton / Jane Fernley / Dave Roberts / Finance Jon Dalton, Head of Housing Needs
3	The Standing Review urges that officers continue to monitor the impact of stock loss and deterioration with a view to periodically revisiting their analysis of the option to divest to ensure that the best investment and service decisions are taken for tenants and the borough.	A key part of modelling the HRA business plan is sensitivity testing to ascertain the long-term viability of the HRA, and the business plan model will be used to assess the impact of decisions relating to income and expenditure, as well as potential stock loss, on the future viability of the account. The ability to control costs will be a key requirement for a viable HRA if significant stock loss occurs. Information arising from the Asset Management Strategy will be used to inform	Dave Roberts / Alison Pegg / Jane Fernley / Maggie Challoner

Recommendation / Comment number	Recommendation / Comment	Actions required	By whom and when
		discussions around whether it would be economically appropriate to invest in particular properties or whether alternative approaches such as redevelopment may be the optimum solution for the Council.	
4	The Standing Review believes that the issue of shared services has not been sufficiently explored or clearly defined by the administration across the Council, potentially undermining Housing's efforts to develop policy and service options. Given the size of the financial and service challenges the Council faces, this needs to be rectified swiftly, and should draw upon the experiences of other boroughs within London and elsewhere that are developing shared service options	Several attempts have been made to explore the potential for shared services across West London. Leaseholder services was the first to be explored and the potential around insurance costs and legal costs associated with an expected increase in right to buys is currently being explored. Consideration is still being given to sell Help2Let services and increase income.	Toni Burke Jon Dalton
5	The Standing Review was informed that the administration was exploring the possibility of revaluation of the Council's housing stock, which could result in higher rents and therefore in more rent being collected and its complete retention locally by the Council.	Options for setting rents and service charges are being considered as part of both the HRA budget and business planning processes, and will be subject to consultation with TLRCF early in the new year. The current default position is the continuation of the existing convergence process pending any decision to change to a different option. A special training event was held for tenants to help them understand the HRA and the implications of rents and charges and this will	Dave Roberts

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		be built upon at the next TLRCF meeting	
6	The Standing Review was keen to stress the need to monitor and understand the impact of the Government's welfare reforms on rents and tenants' indebtedness, with a concern that the Council take steps to address any problems or difficulties that arise.	This is an area that is still very uncertain and final guidance has yet to be produced. We are continuing to work with the Citizens Advice Bureau in respect of this issue, to both raise awareness of the what is approaching and to provide feedback to ensure that we are prepared for the implementation of welfare reform. The draft allocations policy currently out for consultation contains initiatives intended to help minimise the effect on the Council, and the affordability policy being developed in readiness for the implementation date will ensure that we have a robust methodology for assessing reasonable levels of contribution toward rents for those losing out on benefits as a result of the reforms.	Dave Roberts / Jon Dalton