

Meeting:	Cabinet
Date:	23 rd June 2005
Subject:	Housing Stock Options Appraisal
Responsible Officer:	Anna Robinson
Contact Officer:	Rebecca Caprara
Portfolio Holder:	Councillor Keith Burchell, Planning Development and Housing
Key Decision:	Yes
Status:	Public

Section 1: Summary

1.1 Decision Required

Cabinet is asked to consider the information provided in this report and is recommended to:

- 1.1.1 Commend the work carried out by the Options Appraisal Working Group, Harrow Federation of Tenants and Residents Associations (HFTRA) and tenants and residents associations (TRAs) to enable this option appraisal to be carried out to a tight timescale
- 1.1.2 Note the recommendations of the residents involved in the Housing Stock Options Appraisal Working Group (appendix G)
- 1.1.3 Note the recommendations of the Housing Improvement Options Advisory Panel (to be tabled)
- 1.1.4 Note the headline results of the test of opinion survey to tenants and leaseholders on the options (to be tabled)
- 1.1.5 Note that the medium-term business strategy (MBTS) has been updated to reflect actual activity as included at appendix N

- 1.1.6 Approve the Harrow Decent Homes Standard
- 1.1.7 Reject the ALMO and PFI options as unsuitable to deliver the Harrow Decent Homes Standard
- 1.1.8 Note that Harrow Decent Homes Standard can be achieved either through a retention option with prudential borrowing or through transfer of the stock to a registered social landlord
- 1.1.9 Consider whether Harrow should retain its housing stock using prudential borrowing to make up the funding gap, or proceed to test, through a formal tenants ballot, whether tenants wish to explore a LSVT route to achieving Decent Homes.
- 1.1.10 Delegate to the Leader in consultation with Councillor Mote and Councillor Thornton the final decision on which option to proceed with, taking in account the outcome of the Tenant's Test of Opinion survey.

Note that should Cabinet decide to retain the Housing stock the tenants on the option appraisal working group support this option on the understanding that an additional £3.5m is found before 2010 for additional improvement works to estates and that tenants wish the Council to resource the development of tenant management.

1.2 Reason for report

- 1.2.1 This report presents details of the options appraisal process carried out, in line with Government requirements, to determine the viable options and most appropriate means for Harrow to deliver Decent Homes in all its rented and leasehold housing stock by the year 2010.
- 1.2.2 Government requires tenants and leaseholders to be at the heart of the process. Harrow established a working group comprised of 8 tenants, 4 Members and 3 staff to oversee the process and make recommendations to Cabinet.
- 1.2.3 The process included evaluation of the condition of the Council's housing stock, determination of the Harrow Decent Homes standard, consideration of all the financial options and service standards from different landlords and extensive consultation with tenants and leaseholders culminating in a test of opinion survey of all tenants and leaseholders.
- 1.2.4 A detailed report with Harrow's decision on which option it wishes to

proceed with, must be submitted to Government Office for London by 11th July, for approval.

- 1.2.5 Cabinet is therefore asked to consider the merits of the different routes to achieving Harrow Decent Homes, taking into account the views of the Option Appraisal Working Group, advice from the Housing Stock Options Panel and the indicative results of the Test of Opinion survey of tenants and leaseholders, which completes on 27th June 2005, prior to taking a decision on its preferred way forward.

1.3 Benefits

- 1.3.1 All social landlords are required to achieve the Government's minimum standard, 'Decent Homes', for their housing stock by the year 2010. Harrow's proposed Decent Homes standard, exceeds the Government minimum standard.

- 1.3.2 The robust processes undertaken to determine how the Harrow Decent Homes standard can be achieved, ensures that Harrow now has
- Accurate 30-year life cycle costings for all its housing stock
 - Independently validated financial appraisals that demonstrate all the works required to the housing stock over the next 30 years can be delivered via more than one option.
 - A clear indication of tenant opinion on choice of Landlord, service standards required by tenants and the extent to which tenants want to be involved in decisions that affect their homes and services.

This information forms the core of the HRA business plan which must be produced in the next few months.

1.4 Cost of Proposals

- 1.4.1 The capital cost of the improvement works across all the Council stock is £238m over 30 years. This equates to an average of £46,000 per dwelling.

- 1.4.2 The total revenue expenditure required across all the Council's stock is £193m over 30 years. This equates to an average of £37,000 per dwelling.

1.4.3 The total expenditure on the housing stock over a 30 year period if £431m, equal to £83,000 per dwelling on average.

1.4.4 These costs have been used in evaluating each of the options available for achieving Decent Homes standard and the detailed modelling is set out in appendix D.

1.5 Risks

1.5.1 The Council is required to ensure that all the Council's housing stock meet the Decent Homes standard by 2010. There are four main options for this; either, the Council retains the housing stock and finances all the required works through a combination of revenue contributions from the Housing Revenue Account and prudential borrowing; the Council applies to Government to establish and obtain funding for an Arms Length Management Organisation; the Council applies to Government to carry out a large scale voluntary transfer (LSVT) or, the Council follows a private finance route.

1.5.2 The financial modelling in appendix D demonstrates that an ALMO is not the best means of delivering Decent Homes for Harrow.

1.5.3 Either of the options of 'Retention with Prudential Borrowing' or stock transfer to a Registered Social Landlord/ establishment of a LSVT specifically for Harrow's stock, will work financially.

1.5.4 If the Council chooses the stock retention route it will be necessary to ensure that costs are carefully controlled such that the assumptions in the financial model are firmly adhered to.

1.5.5 If stock transfer is the preferred option it will be necessary for the Council to continue with the Decent Homes capital programme for the next two years, as the time period for a stock transfer to take place is approximately 20 to 24 months.

1.5.6 Tenants may choose to not vote for a stock transfer option. Should this be the case the full cost of the stock transfer ballot is borne by the Housing Revenue Account.

1.6 Implications if recommendations rejected

1.6.1 All social landlords are required to achieve Decent Homes standards

by December 2010. Cabinet is asked to take all the factors identified in this report into account in deciding which of the two viable options to choose in order to deliver Decent Homes within the timescale required.

Section 2: Report

2.1 Brief History

- 2.1.1 The Government's vision is to improve housing conditions in all tenures to contribute to the creation of successful, thriving and inclusive communities that will stand the test of time and in which people want to live. As part of this it has set a target for all Council and housing association homes to be brought up to a decent standard by 2010.
- 2.1.2 The Decent Homes standard requires the property to meet the fitness standard, to be in a reasonable state of repair, to have reasonably modern facilities and to provide a reasonable degree of thermal comfort
- 2.1.3 The standard relates to the physical condition of the home but work on dwellings must be combined with improvements to services and the local environment, which deliver places where people want to live.
- 2.1.4 Government guidance is that tenants and leaseholders should be at the heart of the process of developing and monitoring the council's business plan and the nature and quality of landlord services.
- 2.1.5 The 'options appraisal' is an essential element of the business planning process, which explores different ways of meeting the identified objectives that can also provide better value for money or deliver higher quality services. A key aspect of the options appraisal concerns consideration of alternative management arrangements and increased investment in the stock through three identified options, which are, establishing an Arms Length Management Organisation (ALMO), the Private Finance Initiative (PFI), or transfer of ownership to a Housing Association or Registered Social Landlord (RSL). Since the initial Government guidance was produced the option for prudential borrowing by local authorities has become available and this therefore forms part of the option appraisal.
- 2.1.6 A summary of the process followed to deliver the option appraisal is attached to appendix A and a detailed project plan is available on deposit.

2.2 The Government Decent Homes Standard & the Harrow Standard

2.2.1 The Government Decent Homes Standard states that a property is deemed to be a decent home provided that it meets the four tests set out below:

- To be fit as long as it does not fall below the requirements of section 604 of the 1989 Housing Act; that is it is structurally sound, is not in serious disrepair and has basic amenities,
- To be in a reasonable state of repair providing the building fabric and internal parts of the home are not old and in need of major repair,
- To have reasonably modern facilities providing it fails on no more than three of the six criteria relating to age and condition of kitchens, bathrooms and sound insulation,
- To be adequately insulated to ensure that it can be kept at a reasonable temperature.

2.2.2 These definitions are very broad and are set by Government as an absolute minimum. Social landlords are expected to develop a standard in partnership with tenants and leaseholders that reflects the views of tenants and leaseholders.

2.2.3 Harrow maintains a stock condition database and a report drawn from the database as at 14th June 2005 indicates that 48% of the stock of 5175 dwellings meets the Decent Homes standard. The programme of investment specified in appendix C will ensure that all of the stock will meet the Decent Homes standard by 2010.

2.2.4 The discussions within the Decent Homes Options Appraisal Working Group sought to confirm a Harrow standard for meeting decent homes given the complex definitions outlined in ODPM guidance issued. The proposed Harrow Standard extends beyond the Government Standard by recommending that when replacement is required it will include provision of:

- High quality secure double glazed windows,
- High quality well planned kitchens replaced every 20 years,
- Central heating systems using condensing boilers where boilers will be replaced every 15 years and pipe work every 30 years,
- High quality well planned bathrooms replaced every 30 years
- Secure front and back doors,
- Improved thermal insulation,
- Internal noise insulation for properties needing it most.

This standard, explained further in appendix B, is recommended to Cabinet as the Harrow Decent Homes Standard and the costs of delivering this has been used in the financial modelling

2.3 Stock Condition Survey

- 2.3.1 A stock condition survey was undertaken in 2003 when survey data was collected covering 100% of the external areas of the property base and 20% of the internal areas. The results of that survey were entered onto a specifically purchased stock condition database, which has been maintained and up dated as programmes of works have been completed. That data is sound and the survey was undertaken on a valid basis for the collection of stock condition information.
- 2.3.2 F P D Savills were commissioned in January 2005 to work from the stock condition data held by Harrow and using current market costs and replacement cycles adopted in the Harrow definition of Decent Homes, to provide 30 year financial forecasts of the cost of achieving the Decent Homes standard and of maintaining the housing stock and related assets in a reasonable state of repair. The report from Savills will be part of the Housing Options Appraisal submission and is attached to this report as appendix M.
- 2.3.3 The costs confirmed by Savills, updated to reflect right to buy sales show that the total sum to be spent per dwelling on improvement works over a 30 year period is £46,043 on average, while £37,210 will be spent on responsive and cyclical works. The total cost of improvement works over the 30 year period is £238m.
- 2.3.4 They have commented that that this sum is comparable to the lower end of comparable benchmarks.
- 2.3.5 The projections were based on an assessment of the life expectancy of each element of a dwelling, for example window replacement every 30 years, together with an estimate of the costs for replacing each element. In some areas the costs Harrow is currently incurring in the replacement of elements exceeds the estimates recommend by Savills. Improved procurement of partnered contracts and more efficient project management of contracts will ensure that Harrow is able to achieve improved value for money.
- 2.3.6 Savills also assessed the cost profile over a 30 year period of all works beyond Decent Homes for which a social landlord will have responsibility. These include provision of disabled adaptations, cyclical maintenance, works to voids properties, responsive maintenance, exceptional extensive

works, environmental improvements and costs of maintaining related asset such as Community Centres.

2.4 Financial Options evaluated

- 2.4.1 A thorough process has been conducted in which the three options proposed by Government to fill the investment gap have been considered, alongside a fourth option of the Council retaining the ownership and management of its housing stock. A table summarising the different options is attached at Appendix D.
- 2.4.2 The object of the appraisal is to identify a robust and sustainable business plan capable of delivering Decent Homes by 2010.
- 2.4.3 This is a process that all Local Authorities have to comply with by July 2005 as required by the Government Office for London. The Council needs to consider several options; Retention, ALMO, PFI and LSVT.

(a) Methodology

There is a requirement to use specific financial models as supplied by the office of the deputy prime minister (ODPM). The model used for the Retention and ALMO option is known as the ODPM Business Plan, whereas for LSVT there is a specific financial model that calculates a potential value of the housing stock to be transferred,. Similarly there is a specific model for PFI. All the models look at a 30 year business cycle.

The financial Information input into the models is drawn from a number of sources, the main ones being; the Council's HRA Medium Term Business Plan, the Stock Condition Survey and the HRA Subsidy Determination.

The assumptions used in the financial appraisals are listed in appendix E. These have all been tested and validated by Weedon Grant, the financial consultants appointed by the Council to test and validate the financial modelling done by the Council.

The accuracy of the information used in the financial model will obviously influence the results produced and the extensive work has been carried out on the HRA to ensure that all assumptions are robust. This ongoing work has led to a number of revisions to the HRA over the next 3 to 4 years that have been incorporated into the above models. The prime changes are the transfer of elements of HRA expenditure that are more properly capital funded and the phased transfer of strategic housing to the General Fund.

The models provide a range of outputs including an operating statement (HRA), a capital investment budget and a cash flow statement. In order to assess the validity of an option the Operating Statement (HRA) has to remain balanced, the capital investment must be capable of meeting and sustaining Decent Homes and the cash flow statement must show a positive balance. Failure to meet any of these criteria places the feasibility of the option into doubt.

(b) Validation of the Outcomes

The financial results and conclusion prepared by the Council are subject to an independent validation by a firm of specialist consultants. The selection of a suitable organisation was subject to the full tender process and from an initial list of 4 interested firms Weedon Grant financial consultants were appointed.

Weedon Grant have extensive experience of this type of work having provided option appraisal advice to over 70 local authorities.

In addition Weedon Grant have been appointed as Lead Consultants for numerous Stock Transfers and ALMOs advising on business plans and strategy.

Weedon Grant's report is shown in appendix F.

(c) Outcomes of the Financial Appraisals

(i) Base Position

The Base position, shown in the financial appraisal appendix considers the impact of the Stock Condition Survey on the HRA and the capital investment programme if all other factors remain the same.

The Base Position identifies and quantifies a "gap" that needs to be bridged between the cost of the works that need to be done to meet Harrow Decent Home Standard and the financial resources available. The gap is approximately £8m based on the current information available.

The ODPM Business Plan highlights that the necessary works detailed in the Stock Condition Survey cannot therefore be completed without considering options for additional finance in the region of £8m. See base position in appendix D.

(ii) ALMO

An ODPM Business Plan was prepared on the basis of obtaining £8m of ALMO monies to bridge the "gap." This plan makes some specific assumptions only relevant to an ALMO option. They are;

There will be costs associated with setting up and running an ALMO, these are £270k and £470k respectively. These are exact costs as determined by the ex ALMO shadow board and agreed with the ALMO Interim Managing Director as appropriate for Harrow.

The funding is subject to obtaining a two star Housing Inspectorate rating which it has been assumed will be achieved. Harrow achieved a two star rating from the most recent housing inspection.

ALMO funding is available for the basic Decent Homes standard only plus a small amount for environmental works. It cannot deliver the higher specification of the proposed Harrow Standard

The ODPM Business Plan model in relation to the ALMO option shows that whilst the stock investment works can be financed and the Decent Homes requirement met by 2010, the HRA will show a deficit for each of the 5 years to 2010, totalling £2.5m.

The main reason for these deficits is the set up and running costs associated with the ALMO option.

It is unacceptable and illegal to budget for losses of this amount over a 5 year period and this option does not work. See appendix D for detailed workings.

(iii) Retention by Harrow Council using Prudential Borrowing.

Under this option the Council borrows the funds to bridge the investment gap and is required to demonstrate that there is sufficient finance available to meet the additional interest charges and to repay the capital within the 30 year business cycle.

The schedules in appendix D show the results of this model. The criteria of a balanced HRA, the requirement to meet Decent Homes and a positive cash flow are all possible under this option and therefore it should be considered a viable option subject to a risk / sensitivity assessment shown below.

(iv) Large Scale Voluntary Transfer (LSVT)

This option involves the transfer of the housing stock to a registered social landlord or the establishment of an independent LSVT association specifically to own and manage Harrow's housing stock. The ODPM model for this option values the stock on the basis of future rental income less the anticipated running costs and stock investment. This valuation should not be confused with an Open Market Valuation.

Various scenarios have been modelled all of which show a positive valuation. A valuation based on assumptions approved by Weedon Grant indicates that a gross receipt of £65m (£12,560 per property) giving a net receipt to Harrow of £22m after clearing HRA debt and ODPM levy could be expected.

Under an LSVT option the Council could also expect to receive a percentage of Right to Buy receipts from the RSL, usually in the order of 50% of the receipt.

A further benefit of LSVT is that the RSL will usually offer additional investment in the stock to meet requests by tenants for works not defined as Decent Homes. This can vary and forms part of the offer to tenants by the competing RSL's. For the purpose of consultation with tenants it was suggested that an RSL would typically offer an additional £5m for such items as environmental and security works.

The receipt to the Council needs to be considered against the costs currently charged to the HRA that will have to be met from the General Fund if the stock is transferred to another landlord.

Under this option the HRA will disappear and although most of the associated costs will transfer to the potential RSL some costs such as Homelessness, Service Charges etc will remain with the Council. It is expected that initially the overall annual amount that will have to be absorbed by the General Fund will be approximately £1.3m. These costs will be reduced over time.

For an LSVT to be progressed a formal ballot of tenants must be carried out with a majority of tenants voting in favour of transfer. An application to progress a LSVT is then made to the ODPM.

Whilst an LSVT is a workable solution it would take up to 2 years to progress the option to sale stage, leaving only three years to complete the Decent Homes work. The Council would have to continue with its current programme of works until the balance transferred to a RSL.

(v) Private Finance Initiative (PFI)

As part of the option appraisal the possibility of using PFI has been considered. However a number of obstacles were rapidly encountered that have prevented the preparation of a financial model for PFI.

PFI works best for large estates where there is a high degree of repetitive works and where the Council can bring an incentive to the scheme such as a development site to attract the private investor. A PFI scheme is not appropriate

as a whole stock solution in Harrow's circumstances and would have to be combined with another option.

In order to pass the rigorous tests set by ODPM and the Treasury the scheme has to provide better value for money than the other options.

The set up and lead time to initiate a PFI scheme can be extremely long and complex with no guarantee of success.

For the above reasons this option is deemed to be unworkable.

(d) Assumptions

A list of the assumptions used in the financial appraisals is shown in appendix E.

(e) Sensitivities

A number of sensitivities have been modelled assuming different scenarios, the main sensitivities being as follows;

(i) ALMO

The additional running costs and set up costs associated with an ALMO create a deficit in the HRA that prevents this option from proceeding. The model was adjusted for a 50% reduction in these costs in order to ascertain whether or not the change would make the option viable. It should be stressed that achieving such a reduction is extremely unlikely and the purpose of the sensitivity was to ascertain whether or not there are circumstances that could make the ALMO option viable.

Whilst improving the outturn on the HRA the change still leaves the HRA in deficit for 4 of the 5 years to 2010, the cumulative deficit being £1.535m.

It would appear that even allowing for a major reduction in costs the ALMO option is not viable.

(ii) LSVT

The main area of risk for this option in relation to the Council (there are different risks for Residents) is the level of receipt that is to be expected. As mentioned above the Council will have to fund the residual costs after transfer at least for the short term and income from the receipt will counter some of the loss of revenue from the HRA.

A transfer could be to an existing RSL or a new RSL in either case the cost structure of the RSL is likely to differ from that of the Council. Whilst the model can be adjusted for the possible changes, it is not possible to produce a definite valuation figure and therefore a range of probable outcomes has to be considered. Sensitivities have been conducted assuming 10% higher and lower changes to management costs, repair costs and capital investment costs.

The baseline model gross valuation of £65m (net £22m) can vary from £56.7m (net £14m) at the lower end to £74.0m (net £31m) at the higher end of the range.

The LSVT option therefore remains a viable solution to provide the Harrow Decent Home Standard.

(iii) Retention with Prudential Borrowing

Some twelve different sensitivities have been introduced into the model covering possible changes to interest rate, predicted management and repair costs, RTB sales and capital costs together with changes to rental income and additional borrowing.

The main areas of risk concern the proposed reductions in management costs and responsive repair costs. Failure to achieve the required reductions would mean that the Council could not reach Decent Homes by 2010. However the risk is considered to be low as many of the savings have either been implemented or simply come about as one off expenditure is made in 2005/06 and is not repeated.

All of the sensitivities modelled are incorporated into the financial report by Weedon Grant financial consultants (appendix F)

Sensitivity analysis has also indicated that it would be possible to borrow further funding under the prudential regime in the region of £4.7m from year 3. This should be regarded as a prudent position to have in order to allow a degree of comfort and flexibility to be introduced into the plan and to enable additional works identified as desirable by tenants to be carried out..

Overall the risks associated with prudential borrowing can be regarded as low and the option remains viable.

(f) Results of the Financial Evaluation

From a purely financial perspective there are two workable options for Harrow namely stock transfer (LSVT) or Retention using Prudential Borrowing. Both options have been extensively explored with the Residents working group with the assistance of the Independent Tenant Advisor.

2.5 Consultation

- 2.5.1 A working group was established in January 2005 to oversee the options appraisal process. This group included 8 tenant and leaseholder representatives drawn in accordance with criteria agreed with residents, from across the borough, from established tenant and resident associations (TRAs) and from the Harrow Federation of Tenants and Residents Associations (HFTRA). The group also included 4 members cross party and staff representatives. An Independent Tenant Advisor, First Call (Housing Consultants) Ltd., was then appointed by a resident panel to provide independent and impartial advice and support to tenants and leaseholders and the Working Group resident representatives.
- 2.5.2 An Independent Tenant Advisor, First Call (Housing Consultants) Limited was then appointed by a resident panel to provide independent and impartial advice and support to tenants and leaseholders and the Working Group resident representatives. First Call has provided training to residents about various aspects of the options appraisal process and has conducted outreach work with older, BME and disabled tenants. An initial report from First Call detailing the work undertaken is at Appendix J on deposit in Group Offices.
- 2.5.3 Extensive consultation has been carried out with the wider tenant and leaseholder population across the borough, using a variety of mediums such as local media, postal surveys, newsletters, posters in libraries, a launch event at a local hotel, a road show on a bus, daytime and evening meetings on different estates and with different stakeholder groups, and a live 'web-chat'. This was to maximise tenant awareness and understanding of the options available. The final stage in the consultation process was a test of opinion postal survey, sent to all tenants and leaseholders, asking to state their preferred option (The early indications from the survey will be reported at Cabinet as the final response date is 27th June 2005.)
- 2.5.4 The supporting document at appendix K on deposit in Group Offices includes details of what consultation methods were used and at what stage.

2.6 Links with wider Neighbourhood Renewal strategy

- 2.6.1 Reaching the Decent Homes standard is not only about making sure individual properties are decent. It is also about ensuring our estates are

part of communities where people want to live. During the Options Appraisal process, a review of our larger estates has been carried out building on estate surveys carried out in 2003. The analysis confirms that the majority of Harrow's estates continue to be in high demand and are sustainable. The option for the Council to retain its stock under Prudential Borrowing will enable linking into further community initiatives as they are developed through area working under the New Harrow Project.

- 2.6.2 There is one estate, Mill Farm Close, where further detailed work with local residents needs to proceed to identify the best solution for regenerating the estate to tackle the physical quality of the housing as well as anti-social behaviour. The retention of the stock by the Council does not preclude another solution being considered for Mill Farm Close. This was the case for the Rayners Lane estate where a number of solutions were explored including PFI before agreement was reached with residents to pursue stock transfer as a means for comprehensively regenerating the estate.

2.7 Financial Implications

The Section 151 officer has been consulted throughout the options appraisal process and comments as follows:

- a) I am happy with the approach taken and the assumptions used, subject to receiving the final report from Weedon Grant to verify our approach
- b) I recognise the risks associated with the models, particularly where assumptions have been made about reducing costs over time
- c) It is not acceptable to proceed with any option that causes HRA deficits over more than a 2 year period.
- d) I support the recommendation on use of capital receipts to support housing capital expenditure (up to the threshold specified)
- e) The impact of the various options on the general fund is minimal.
- f) As part of the ongoing review of the Housing Revenue Account, the budget figures have been updated to ensure they closely reflect actual activity (appendix N attached)

2.8 Legal Implications

- 2.8.1 Should the decision be for the stock to remain with the Council and use prudential borrowing arrangements, the key legal implication for the Council would be that the Council's position as landlords and landowners would remain as at present, subject to changes in public housing legislation. The Council would therefore remain liable as landlords under

housing legislation, including right to repair, right to buy and right to manage.

- 2.8.2 Should the decision be to transfer the stock to an existing registered social landlord (RSL) or housing association, the Council would then need to enter into a lengthy process of negotiation with substantial legal costs associated with this process. The Council would also be required to ballot tenants and achieve a majority in favour in order for the transfer to go ahead. Once the transfer has completed, a long-term contractual relationship as regards to housing provision and management would exist with the RSL. The Council would continue, however, to have a statutory obligation to homeless households.

2.9 Equalities Impact

- 2.9.1 The options appraisal process has contributed to the corporate equalities plan through the effective and wide-ranging communication and consultation with tenants and leaseholders from different sections of the community. Consideration has been given to different groups throughout each stage of communication and consultation. The event was organised as a drop in session with children's activities available, to allow families with children to attend and to provide flexibility to allow working residents to attend. Transport was made available for those who wouldn't otherwise be able to attend. Language interpreters and a sign language interpreter were also present. Feedback from the event highlighted that 41% of respondents were from BME communities, which is in line with the proportion for the borough.
- 2.9.2 For those who were unable to attend on the day, the bus visited a large number of estates over a four day period to provide information and advice to residents unable to travel to the event. Further outreach work has been carried out by way of a focus group with BME tenants, meetings at sheltered blocks and home visits with interpreters where requested. This has ensured that awareness of the options was maximised.
- 2.9.3 Whatever the outcome of the decision, there will need to be a continued focus on increasing the involvement of different sections of the community in decision making opportunities.

Section 3: Supporting Information/ Background Documents

- Appendix A Options Appraisal; Summary of Process

- Appendix B Government Decent Homes Standard compared with the Harrow Standard
- Appendix C Summary of Housing Stock Investment Requirements
- Appendix D Financial Appraisal of Harrow Stock Retention, ALMO and Large Scale Voluntary Transfer Options (colour copies circulated to Members of Cabinet only)
- Appendix E Financial Appraisal Assumptions
- Appendix F Weedon Grant Financial Consultants: Review of the financial models used to support the Council's appraisal for the ownership and management of its housing stock (to follow)
- Appendix G Working Group Resident Recommendations to Cabinet
- Appendix H Recommendation of the Housing Options Advisory Panel - 26 May 2005 and report from the Panel meeting held on 21 June 2005 (to follow)
- Appendix I Evaluation of Housing Options against recommended criteria

Available on deposit from Group Offices and for viewing on the Council's website – www.harrow.gov.uk

- Appendix J First Call Housing Summary Report
- Appendix K Communications and Consultation Strategy
- Appendix L Residents Charter prepared by the Appraisal Working Group 23rd May 2005
- Appendix M Report from FDP Savills – Stock Condition Survey Validation (to follow)
- Appendix N HRA Medium Term Budget Strategy (MTBS) Revisions