

## **HARROW HOUSING REVENUE ACCOUNT (HRA) BUSINESS PLAN**

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## **FOREWORD**

The Housing Revenue Account Business Plan (HRA BP) sets out and explains what the Council will do to make sure the best possible use is made of its Council housing resources, to meet current and future needs identified in our Housing Strategy. The HRA BP is meant to provide a thorough understanding of the issues affecting Council housing in Harrow, to be a basis for sound decision-making, and a convenient source of information. It will help us to respond effectively to the opportunities and challenges that face us now and in the future. It will be updated as circumstances change – for example, if our income and expenditure estimates change, there is new legislation or guidance from central government, or anything else happens that affects the way that we manage our housing stock.

We have consulted residents and other stakeholders about the key decisions underlying the Plan, and the views put forward have shaped our priorities. As part of the continuing consultation, you are very welcome to make comments on this Plan. Full contact details can be found at the end of this document.

## **INTRODUCTION, OVERVIEW AND CONSULTATION**

### **What is in the Housing Revenue Account Business Plan (HRA BP)?**

In the HRA BP you will find a description of the current state of council housing in the borough and of the progress we have made so far in meeting objectives. It sets out our priorities, and explains how they have been decided on. We consider the challenges that we face and show how we plan to overcome them. Most importantly, we set out what we intend doing in the future. As well as looking forward, the HRA BP looks back to measure how well we have performed against targets and objectives. This gives us the opportunity to learn from the past and to highlight particular areas of success on which we can build.

The Council's stock of housing has an essential role within that Council's Housing Strategy. It also takes account of the Council's wider community objectives, and national and regional priorities – see the section on Strategic context. To make good decisions, we need accurate and up-to-date information about the condition of our Council housing. A summary of the information we have about the state of repair of our stock and levels of maintenance required is given in the Plan – see the section on Stock condition. We must try to make available to our tenants the right sort of property in the right location. This HRA BP includes up-to-date information on local supply and demand for Council housing (see the section on Housing Need Assessment), and our plans for dealing with areas of less popular housing.

The Plan looks at how we balance the income from rent and other sources, with outgoings on repairs, maintenance, management and other expenses. We look forward up to 30 years to predict the possible financial outcomes, which might arise from the actions, we are taking now – see the section on Resources.

The Action Plan included at Appendix 1 sets out the tasks that must be achieved within specific timescales to achieve our objectives, and who is responsible for them.

The HRA BP is designed to be read by everybody. Jargon has been avoided and technical terms used as little as possible. Those technical terms that we couldn't avoid are fully in the Glossary, and so are any abbreviations that we use.

For readers who want fuller information, statistics and other detailed information on which this Plan has been based are included in Appendices after the main text.

### **Consultation with Residents and Other Stakeholders**

As described in the Housing Strategy, residents and stakeholders have been involved in the preparation of the Strategy, and particularly in setting the strategic housing objectives and priorities which inform the Business Plan objectives and priorities. For example, a number of residents attended the Housing Strategy conference. We also talked to the Tenant and Leaseholder Consultative Forum about an early draft of the Business Plan, so that they could give us their views on priorities. We discussed a later draft with the Harrow Federation of Tenants' and Residents' Associations, who generally agreed with our priorities. We have drawn attention to feedback from these forums in the relevant parts of the Business Plan.

Residents and other stakeholders were engaged in many different ways in the Options Appraisal process which forms the foundation of the HRA BP. Resident representatives developed criteria for selection to the resident places of the Options Appraisal Working Group; a resident panel selected the independent tenant advisor; a newsletter was distributed to all tenants and leaseholders, including articles about Options Appraisal, explaining the process and giving information about how to get involved; an event organised in a local hotel to launch the information-sharing campaign to the wider tenant and leaseholder population attracted 200 attendees; road shows took place around most estates, plus a series of evening meetings held by First Call and a live web-chat; and a test of resident opinion was undertaken

A Housing Strategy Challenge Panel took place at the Sustainable Development and Enterprise Scrutiny Sub-Committee in June 2007. Members questioned officers about the HRA Business Plan, considering evidence on national and regional best practice and the policy context in which they were developed.

### **HRA BP OBJECTIVES**

Our objectives and priorities are shown in the table below.

<b>HRA BP objective</b>	<b>HRA BP Priorities</b>
Excellent services for older and vulnerable Council tenants that promote independence and wellbeing	Review of the Sheltered housing service Adaptations and support to promote independence Smarter working with Social Services, health organisations and voluntary organisations
Strong communities that residents want to live in	Reduce hate crime, anti-social behaviour and nuisance as a result of working with other agencies Improve estate services and facilities Improve estate appearance Increase recycling Address unpopular housing Improve employment prospects for residents
Quality homes and services for Council residents	Achieve Decent Homes Improve resident satisfaction with responsive repairs service Increase resident satisfaction with access to and response from Resident Services

HRA BP objective	HRA BP Priorities
	Improve leaseholder satisfaction with services
Smarter use of resources	Collect all income due Spend wisely, getting value for money and spending on most needed services Use all HRA assets effectively
Residents who can influence the way that their homes are managed	Help residents explore Right to Manage Increase representativeness of formal tenant structures

The next few sections explain how we arrived at these objectives and priorities.

## STRATEGIC CONTEXT

This section explains the links between Government, regional, sub-regional, community and housing strategic objectives and priorities and the HRA Business Plan. More detail on the strategic context can be found in the Housing Strategy.

### Government Policy

In 2003 the government set out its vision for housing in the Sustainable Communities Plan. The focus is on achieving balanced and sustainable communities, which is one of the key objectives of the Business Plan. The Respect Standard for Housing Management sets out what we need to do to tackle anti-social behaviour and build stronger communities. Other government priorities reflected in the Plan include:

- Bringing all social housing to the Decent Homes Standard by 2010
- Helping vulnerable people improve their quality of life, including through the provision of housing and related support services
- Delivering a high-quality, Best Value housing management service
- Tenant empowerment

### Regional priorities

The Greater London Authority (GLA) consultation document "Towards the Mayor's Housing Strategy" (which is likely to form the basis for the GLA Housing Strategy due in July 2007) focuses on building sustainable communities, as well a number of other priorities that are reflected in the Plan:

- Helping vulnerable, low-income households to have Decent Homes
- Improving the quality of the local environment and sustaining the quality of life of residents in high-density environments
- High-quality housing management to match a good built environment
- Ensuring that homes are energy efficient and fit for purpose
- Tackling overcrowding in social rented housing
- Reducing worklessness among social housing tenants

### Sub-regional working

Harrow is a member of the West London Partnership, which brings together the public, private and voluntary sectors of 7 boroughs to promote the economic, social

and environmental interests of West London. The West London Housing Strategy action plan has two over-arching objectives: to increase the supply of housing, and to create sustainable communities, ensuring that housing services promote the well-being of communities and support community cohesion objectives. Partnership members each take responsibility for specific areas of housing strategy and policy initiatives (for example, Harrow has responsibility for homelessness).

### **The Local Context: Corporate Priorities**

A Sustainable Community Plan for Harrow 2006-2020, and the Corporate Plan 2007-2010 set out Harrow's corporate vision. The Council's vision is "to be recognised as one of the best London Councils by 2012 in a borough that is cosmopolitan, confident and cohesive". Specific aspirations support the vision. With the support of staff and partners, the Council will:

- Satisfy our customers
- Ensure people feel safe and secure
- Transform our living and working environment
- Protect our Green Belt and Harrow heritage
- Listen to and care for people who need our help
- Value, empower and involve young people
- Promote vibrant cultural and leisure opportunities
- Provide high achieving schools at the centre of community services
- Encourage, promote and retain business
- Sustain a diverse and cohesive community which lives in harmony
- Deliver value for money

Some of the Council's priorities to achieve these aspirations are particularly relevant to the HRA Business Plan. These are set out below, together with the HRA Business Plan priorities linked to them.

<b>Corporate Priority</b>	<b>HRA BP Priority/Action</b>
Increase our level of customer satisfaction	<ul style="list-style-type: none"> <li>• Improve Estate Services</li> <li>• Achieve Decent Homes in Council stock by 2010</li> <li>• Make radical improvements in the repairs service</li> <li>• Increase leaseholder satisfaction with the service we provide to them</li> <li>• Increase customer satisfaction with their first contact with the Housing service and the outcome of queries</li> </ul>
Work with our partners to reduce crime and the fear of crime	<ul style="list-style-type: none"> <li>• Reduce crime, anti-social behaviour and nuisance as a result of working with other agencies</li> </ul>
Improve the performance of our environmental services and promote recycling	<ul style="list-style-type: none"> <li>• Increase recycling, and promote greater awareness amongst tenants and leaseholders of environmental issues</li> <li>• Achieve Decent Homes in Council stock by 2010</li> </ul>
Improve care for adults and children who most need our help	<ul style="list-style-type: none"> <li>• Re-model services for older and vulnerable people to promote and support independent living</li> </ul>
Expand participation opportunities for young people	<ul style="list-style-type: none"> <li>• Empower all residents to have a greater say in the management of their homes and community</li> </ul>
Increase opportunities for participation in sports and culture	<ul style="list-style-type: none"> <li>• Use Minor Estate Improvements fund for play areas</li> </ul>
Build on our existing strong and cohesive communities	<ul style="list-style-type: none"> <li>• Empower all residents to have a greater say in the management of their homes and community</li> </ul>

Corporate Priority	HRA BP Priority/Action
	<ul style="list-style-type: none"> <li>• Improve both the physical and social environment of Council homes, taking steps to reduce antisocial behaviour and promote community cohesion as well as improving the appearance of estates</li> <li>• Develop employment opportunities for residents</li> <li>• Address unpopular housing by deciding on long-term options for Mill Farm and Grange Farm</li> </ul>
Improve the way we work and provide value for money	<ul style="list-style-type: none"> <li>• Collect all the income that is due to the Council</li> <li>• Spend income wisely, targeting those most in need and working effectively</li> <li>• Use all HRA assets as effectively as possible</li> </ul>

### The Local Context: Community Priorities

The Harrow Strategic Partnership's Sustainable Community Plan for Harrow 2009 – 2020 contains a number of actions that the Partnership has prioritised for the next four to six years that are reflected in the HRA Business Plan:

- reach the Decent Homes standard for all social housing
- continue to improve the rates of both domestic and business recycling
- focus on the quality of the built environment by tackling litter, graffiti and fly tipping to improve the quality of life
- share data between partners to inform the planning of activities/services
- reduce the fear of crime amongst the population of Harrow
- reduce the percentage of people who regard anti-social behaviour as a big or a fairly big problem
- increase the number of sites accepting third party reports of crime
- promote building design and layout that discourages crime and disorder
- devise joined-up opportunities for local communities to influence the direction of their neighbourhood's development and the pattern of local services
- ensure continuous improvement in the quality of housing
- increase integration of services for older people to improve quality, access and efficiency
- increase the range of preventative health measures to promote healthy lifestyles
- support independent living for older people
- improve the skills base of Harrow and the employability of residents
- ensure the voice and views of young people are listened to, and empower them to design services for themselves

### The Local Context: Strategic Housing Priorities

In consultation with Harrow residents and housing stakeholders, five strategic housing objectives have been identified. These are shown in the table below, together with the HRA BP objectives and priorities that help us to work towards the strategic objectives.

Housing Strategy Objective	HRA BP objective	HRA BP Priorities
Meeting the needs & aspirations of vulnerable people, especially older	Excellent services for older and vulnerable Council tenants that	Sheltered housing review Adaptations and support to promote independence

<b>Housing Strategy Objective</b>	<b>HRA BP objective</b>	<b>HRA BP Priorities</b>
people	promote independence and wellbeing	Smarter working with Social Services, health and voluntary organisations
Continue to tackle homelessness and high demand	Smarter use of resources	Turn round empty properties quickly Reduce under occupation
Improving neighbourhoods and quality of life	Strong communities that residents want to live in	Address unpopular housing Reduce hate, crime, anti-social behaviour and nuisance as a result of working with other agencies Recycling Improve estate appearance Employment initiatives, Improve estate Review use of community halls
Increasing housing supply	Smarter use of resources	Loft extensions to existing properties Use of garage and other sites for new housing
Delivering quality services	Quality homes and services for Council residents	Achieve Decent Homes Improve responsive repairs Increase resident satisfaction with access to and response from Resident Services Improve leaseholder satisfaction with services
	Smarter use of resources	Improve information about resident needs so that we can target spend New partnership with Kier Construction Collect all income due Reorganise staffing to focus on priorities Agree standards for work commissioned from other parts of Council
	Residents who can influence the way that their homes are managed	Help residents explore Right to Manage Increase representativeness of formal tenant structures

## **OTHER INFLUENCES ON PRIORITIES**

### **The Options Appraisal process**

#### Decent Homes – the Options Appraisal process

The Government requires local authorities to bring all Council stock up to Decent Homes Standard (DHS) by 2010. To assess the best way of achieving this in Harrow, the Council carried out a 'light touch' option appraisal in 2003. At that time, the Council decided to set up an Arms Length Management Organisation (ALMO) as its preferred way of raising the funds necessary to pay for the work to achieve the DHS. However, during 2004 Local Authorities were given new borrowing powers, and it became clear that this 'prudential borrowing' option could deliver better value for money than the ALMO route to achieve the DHS in Harrow. Cabinet decided in November 2004 not to go ahead with the ALMO. The Council then needed to carry out a full Housing Option Appraisal, looking not just at the best way of getting the investment in the Council housing stock needed to achieve the DHS but also at the wishes of tenants and leaseholders about the management of their homes.



A Working Group led this Options Appraisal, carried out during 2005, with tenants in the majority. There was a major consultation programme to ensure that we reached and involved as many tenants and leaseholders across Harrow as possible (more detail of this is given in the section on Consultation). As part of the process tenants and leaseholders identified the standard they wished all homes to achieve by 2010. Tenants and leaseholders also told us that they wanted to see improvements in security, safety and the environment.

The Council decided to achieve the DHS by 2010 by investing additional money through prudential borrowing; and to fund estate improvements worth up to £5m. over and above the Decent Homes standard, provided that the HRA stays balanced and cash flow positive over 30 years. Tenants on the Options Appraisal Working Group supported this on the understanding that an additional £3.5m is found before 2010 for additional works to estates. The Options Appraisal and its recommendations were approved the Government Office for London in February 2006.

### Housing needs analysis

Our 2007 Housing Needs Survey gives an updated picture of the need for affordable housing. Full details of the Survey are given in the Housing Strategy, but it indicates that demand for affordable housing – including Council housing - in the Borough is on going. The waiting list remains high. There is a significant shortfall of affordable housing of all sizes of accommodation, notably two and three bedroom homes (although the shortage relative to supply is greatest for four or more bedroom properties).

Council tenants have much lower incomes than those in other tenures (£11369 p.a. compared to an average of just over £40000. 97.1% of Council tenants, 97.9% of RSL tenants and nearly 70% of private rented tenants could not afford market housing. An estimated 1,900 existing households on the housing waiting list cannot afford market housing.

Over 25% of Council tenants live in unsuitable housing – “unsuitable” can mean that the property is not the right size for them, or that it needs adaptations to help with physical disability etc. Council households are most likely to be overcrowded. Of the Council households in unsuitable housing, about 780 have needs that cannot be met in their existing home, and cannot afford to move to another sector, so are in housing need. Across all sectors, the most common adaptations needed are a shower, lift/stair lift or downstairs WC.

37.9% of households in social rented housing include a vulnerable resident, and nearly a third houses older people only. Across all sectors, of the 18.3% of older persons only households that would like/expect to move home in the next five years, 83.5% would prefer to move to ordinary residential accommodation.

About 240 Council properties a year become available for letting

### **Our Performance**

The Council has well-developed performance management systems and structures. A service planning cycle has been established to ensure that all service areas have developed, and are working to, a service plan that reflects corporate priorities. Key targets and indicators are monitored by Scrutiny in the form of a strategic performance report. As part of the corporate Business Transformation Project, SAP

software was introduced from September 2006, which will integrate the current systems for developing and monitoring against performance targets. SAP enables managers to access performance information more quickly and easily, and to monitor progress against targets.

### Recent Performance

Appendix 2 gives details of our performance in various aspects of service – these are highlighted and discussed in the sections of the Plan that deal with different services

Overall, 70% of our tenants are happy with the service we provide. This is a low figure compared to other Councils like Harrow. From a survey of leaseholders in 2005, we know that almost as many respondents were fairly or very dissatisfied (39%) as were fairly or very satisfied (42%) with the overall service provided to them by Housing and the other teams within the Council that support our work.

The Audit Commission inspected the Housing service in 2004. It was rated as providing good services with promising prospects for improvement. A summary of the recommendations made in the inspection report is at Appendix 3

The Council is a member of House Mark and of Housing Quality Network, and makes use of the benchmarking output it receives to review services. Specific examples of how benchmarking has helped us to remodel services on best practice are included in the Plan in the sections covering different services.

## **RESOURCES AVAILABLE**

### **Harrow's Housing Stock**

Compared to most other London boroughs, the Council-owned stock is relatively small. It is also a small percentage (about 6%) of the total housing available. The number reduces each year as tenants exercise their Right to Buy. Only about 230 homes are not on an estate. Most estates are quite small (the largest estate has about 700 homes), and consist of traditionally built family houses and low-rise flats no higher than four storeys in traditional suburban layouts. Most have both private and communal amenity space. There are no Council-owned high-rise flats. There are pockets of properties of non-traditional construction totalling about 600 units.

The Council-owned stock as at 1<sup>st</sup> April 2007 is shown in the table below.

<b>Housing Stock</b>	Houses	Flats	Bungalows	<b>2006- Total</b>	2005- Total
4 or more	95	2	1	<b>98</b>	96
3 bedrooms	1,312	109	1	<b>1,422</b>	1,432
2 bedrooms	562	930	26	<b>1,518</b>	1,523
1 bedroom	1	1,901	137	<b>2,039</b>	2,042
LBH managed stock as at 1 April				<b>5,077</b>	5,093
<b>Summary of Change in Stock</b>					
Stock as at 1 April				<b>5,093</b>	5,125
<b>Less:</b>					
Sales				<b>-16</b>	<b>-32</b>
<b>* Total HRA stock at 31 March</b>				<b>5,077</b>	5,093

There were 1105 leasehold properties within the Council stock at April 2007.

#### Stock Condition

The Council has a stock condition database (Codeman), which it uses to develop the Decent Homes programme. A stock condition survey was undertaken in 2003 during which 100% of the external areas of the Council's housing stock were surveyed and 20% of stock was surveyed internally. This information was entered onto the Codeman database and has been updated as works have been completed. Savills reviewed the original survey information in 2004/05 during the Options Appraisal process. In addition to this, all sheltered housing has been surveyed in the past 12 months as part of the sheltered housing review, and external consultants are carrying out a desktop review of Mill Farm stock condition data as part of the Options Appraisal for that estate. Energy efficiency data on the stock is currently held on the Elmhurst database that is continually updated. This data will be shortly transferred to the Codeman database so that all stock condition data including SAP calculations (which are used to work out energy efficiency) is held in the same system. The output from these surveys is described in detail in the section on Decent Homes below

#### Revenue Funding

We have made detailed assumptions for our HRA Operating Account for the thirty-year period 2007/08 to 2036/37, and these are set out in Appendix 4. We highlight here the key assumptions, and the outcomes. Like all Local Authority landlords, our financial position is heavily influenced by the HRA Subsidy system. We have made prudent assumptions about future Subsidy allowances, taking account of the advice on the assumptions to be made about future Subsidy levels given by CLG to the authorities that have assisted with the modelling of "Financial Freedoms".

We are following the Government's Rent Restructuring Policy (which aims to make Council and housing association rents for similar properties "converge"), and have undertaken dwelling-by-dwelling modelling of each year's rent increases. We assume that the 5% cap on overall rent increases which applied in 2006/07 and 2007/08 will

not be continued thereafter, and that the Subsidy arrangements associated with rent restructuring will revert to those which applied prior to the 5% cap. This is also in line with CLG advice for the Financial Freedoms project. By 2017/18, we project that the average actual rent will be £120.31, compared to an average formula (target) rent of £120.43. We assume this remaining gap will close by 2021/22.

As referred to elsewhere in this document, the Council is reviewing the future of two estates in need of regeneration, and is aware that some Sheltered Housing schemes may become surplus to requirements. Together these represent 8% of the Housing stock. Our base Business Plan does not pre-empt the result of these appraisals, but the sensitivity analysis does show the impact on the HRA if the result were to remove stock from the HRA.

We are assuming a reduction in Responsive and Cyclical Repairs costs of £97 per dwelling, with effect from 2008/09. This reflects the saving of over-capacity within the existing in-house arrangements. Further savings will be targeted, but we have taken a prudent approach on these. Similarly, we have taken the view that Management and Service costs will continue at their current level, although it is our intention that improvements to services to tenants will be achieved within this overall cost.

Our modelling assumes that wherever necessary and affordable, Revenue Contributions to Capital Outlay are made. These occur in most of the first 22 years of the plan, but discontinue after 2028/29.

### Capital Funding

The planned funding of the 2007/08 to 2009/10 capital programmes is reflected in the model, as follows:

- The first £500,000 of Useable Right to Buy Capital Receipts
- The Major Repairs Allowance
- Borrowing against Supported Capital Expenditure
- Revenue Contributions to Capital, and
- "Prudential" (Unsupported) Borrowing.

Prudential borrowing totals £10.668m over the three years, and has an impact on the Operating Account in future years. In common with most Councils, Harrow assumes that, to the extent that debt is to be covered by the Subsidy system, provision for its repayment is not necessary. However, the Council's prudential borrowing will bring the outstanding debt to approximately £1.75m above the Subsidy level by the end of year 5. We have therefore allowed for this sum to be repaid in equal instalments from year 5 to year 30, so that at the end of the modelling period, actual debt is equal to subsidy debt.

For years 2010/11 onwards, capital is assumed to be funded by

- The first £500,000 of Useable Right to Buy Capital Receipts (from 2013/14, 100% as this is less than £500,000)
- The Major Repairs Allowance
- Borrowing against Supported Capital Expenditure (in 2010/11 as this is the last year it is assumed), and
- Revenue Contributions to Capital where affordable

### Short- to Medium-Term Analysis

The result of the modelling is that the Operating Account remains in healthy surplus, and Capital Investment remains affordable, until year 11 of the Plan (2017/18), when a small shortfall on capital of £197,000 occurs. This suggests that the Council has a viable HRA Business Plan for the next ten years, although clearly it will be necessary for the Council to keep this under regular review in the light of actual events.

#### Long-Term Analysis: 30 years

In the longer term, the Operating Account is projected to remain healthy for most of the 30-year period, but to fall below the minimum balance we have defined in year 30 (2036/37). More significantly however, Capital shortfalls are projected to occur in every year from 2017/18 onwards. A cumulative shortfall to 2036/37 of some £21m (at base prices) is projected. As stated above, it will be necessary for the Council to keep this plan under review during the next ten years. If, towards the end of that period, it remains the case that capital investment is unaffordable, the Council will have to consider the options available to deal with this situation at that stage.

#### Sensitivity Analysis

Our Business Plan modelling is based on a large number of assumptions about what will happen over a 30-year period. It is best practice to test how sensitive the plan is to changes in these assumptions through sensitivity ("what if?") analysis. Appendix 5 shows the impact on the Plan of changes in some key areas, both on the HRA Operating Account, and the HRA's ability to fund necessary Capital expenditure.

Sensitivity A shows the impact of real increases of 1% pa, rather than the 0.5% pa assumed in the base model. This would produce a shortfall on capital one year earlier than in the base model, and a deficit closing balance on the Operating account from year 20 (2026/27). In practice, the Council could not allow such a deficit, and would have to take corrective action to avoid it. The 30-year cumulative shortfall on capital (at outturn prices) would increase by over £11m

Sensitivity B shows the impact of real increases of 1% pa from now until 2012/13, the year of the London Olympics, instead of the 0.5% assumed in the base model. (It then assumes 0.5% real increases thereafter, as per the base model). This brings the year of capital shortfall forward to year 9. The Operating account would remain in cumulative surplus, but this would fall below the minimum prudent level in year 28 (2034/35). The 30-year cumulative shortfall on capital (at outturn prices) would increase by just over £9m

Sensitivity C shows the impact of a reduction in the Consolidated Rate of Interest, to the Council's target level of 4.5% with effect from 2010/11. The impact of this is minimal, as most of the Council's debt charges are taken into account in the HRA Subsidy system, so that variations in interest cost are largely met by variations in Subsidy.

Sensitivity D shows the impact of taking a slightly more optimistic view of Management and Maintenance Allowances within HRA Subsidy. This produces a slight benefit in reducing capital shortfall, sufficient to change the year of first shortfall to year 12.

Sensitivity E shows the impact of removing the dwellings at Mill Farm from the HRA during 2009/10, should a decision to do this result from the current Option Appraisal process. It is assumed that there would be no receipt, and no cost of transfer, falling

upon the HRA. It is assumed that all dwelling income would be lost, that there would be no savings in management and service costs, and that savings in revenue and capital repairs would result on the basis of an average unit cost. Adjustments have been made to the Repairs and Maintenance and Major Repairs allowances within HRA Subsidy, to reflect that the dwellings concerned receive the highest allowances. Because all income is lost, but only some expenditure saved, this makes the position worse, bringing forward the year of Capital shortfall to year 10 (2016.17), and increasing it by almost £4m over 30 years. The operating account balance falls below the minimum in year 28.

Sensitivity F shows the impact of removing some Sheltered Dwellings from the HRA during 2009/10, should a decision to do this result from the current Option Appraisal process. It is assumed that there would be no receipt, and no cost of transfer, falling upon the HRA. It is assumed that all dwelling income would be lost, that there would be no savings in management and service costs, and that savings in revenue and capital repairs would result on the basis of an average unit cost. Adjustments have been made to the Repairs and Maintenance and Major Repairs allowances within HRA Subsidy, for consistency with Sensitivity E and G. The impact is similar to that for Mill Farm, although the year 10 and 30 cumulative shortfalls are slightly lower.

Sensitivity G shows the impact of removing the dwellings at Mill Farm from the HRA during 2009/10, should a decision to do this result from the planned Option Appraisal process. It is assumed that there would be no receipt, and no cost of transfer, falling upon the HRA. It is assumed that all dwelling income would be lost, that there would be no savings in management and service costs, and that savings in revenue and capital repairs would result on the basis of an average unit cost. Adjustments have been made to the Repairs and Maintenance and Major Repairs allowances within HRA Subsidy, to reflect that the dwellings concerned receive the highest allowances. The larger number of dwellings involved here has the effect of bringing the year of Capital shortfall forward to year 9 (2015/16). The operating account falls below minimum balance in year 24, and into deficit in year 28. The overall shortfall increases by more than £7m.

Sensitivity H shows the impact of Sensitivities E-G if all three were to occur, representing the loss of some 8% of the current stock. In this case, capital shortfalls would occur from year 8, the 30-year shortfall would increase by £10m, and the operating account would be in deficit in year 20.

### **Partnership working**

The Council is committed to working in partnership with many other agencies and organisations to deliver excellent homes and services to our residents. For Resident Services (the part of the Council that looks after Council housing), the key partners with whom we work are:

- Adult Services who provide care and support for older and vulnerable people
- Property Group who plan and supervise programmes of repair and maintenance on our behalf
- The Antisocial Behaviour Unit
- The Crime Reduction Team
- Kier Construction who will shortly become our partners in planning and delivering Decent Homes works, responsive repairs and works to empty properties

- Brent Housing Partnership - we have worked with this local high-performing ALMO to redesign our procedures for delivering services, plan services etc
- Other West London boroughs, particularly those who also participate in the LOCATA choice-based lettings scheme

## **OUR PLAN – OBJECTIVES, PROGRESS AND PRIORITIES**

### **EXCELLENT SERVICES FOR OLDER AND VULNERABLE COUNCIL TENANTS THAT PROMOTE INDEPENDENCE AND WELLBEING**

The definition of vulnerable people covers many categories of need including older people, a priority group for us (in the 2001 Census, about 14% of the population was over 65 –estimated to increase to 20% by 2020; 7% of the population was over 75 – estimated to increase to 10% by 2020); people with long-term conditions e.g. learning disability; socially excluded people e.g. ex offenders, people with drug and alcohol problems etc and people with mental health problems

The majority of older people will live until the end of their lives in general housing. We want to make it possible for older and vulnerable tenants to stay in their own home in the community – if that is what they want to do – for as long as possible.

When people decide to move into sheltered housing, we want them to retain their independence and health for as long as possible. We have 17 sheltered housing schemes located throughout Harrow, each providing around 30 tenancies. Currently we have one designated warden to provide housing-related support services to each Sheltered Scheme. Of these, eight are resident and live on the Scheme site. The remaining nine are non-resident. Emergencies outside office hours are dealt with by the Helpline Team's Community Alarm Officers.

We have one Extra Care sheltered scheme in central Harrow. Here the warden is supported by a team of care staff working 24 hours per day to support very frail tenants. Additional extra care provision for older people who are frail is needed.

Providing joined-up services that meet the needs of individuals is also a priority, so we need to work more closely with colleagues in other teams in the Council and in health and voluntary agencies.

#### Stakeholder Priorities

The Older People's Housing Review, which included a consultation exercise with older people, points out that "Older people do not experience need in tidy compartments that match the organisational structure of providers. Services should be connected in the ways that needs are connected". At the Strategy Conference, we residents and other stakeholders agreed that services must be "joined-up", so that different organisations/teams supporting vulnerable people work together effectively, focusing on helping people to stay in the community for as long as they want.

The TLCF and HFTRA have asked us to consider reinstating the internal decorations programme for vulnerable, elderly and disabled people.

#### Challenges

The Older Persons Housing Review carried out in 2005 concluded that:

- Harrow does not have a massive oversupply of sheltered housing, but some of it is now quite old, and may lack the standards and facilities now accepted as normal. The average age of sheltered housing residents has increased very rapidly in the last two decades, bringing higher levels of need for support that the design of these buildings does not always allow. Some sheltered schemes have seen amenities such as shops, access to doctors, proximity to public transport etc. disappear making independent life for their residents more difficult.
- There will be a diminishing role for conventional rented sheltered accommodation in old age, as support needs increase and levels of ownership rise. The amount of conventional rented sheltered housing should therefore be reduced significantly, through (for example) refurbishing some schemes to provide independent retirement living accommodation without specific services, or using sites for Extra Care or leasehold sheltered housing
- The growth of the oldest section of the population brings with it marked increases in the number of those with dementias and other forms of cognitive impairment.

Other challenges identified in relation to the wardens' service were variation in hours across schemes and the fact that the warden service has not been evenly spread across the sheltered schemes in recent years. This has arisen due to reductions in the Supporting People budget, which funds this service. Having a designated warden for each scheme makes it difficult to provide cover for absence, and these wardens also work in relative isolation. Tenants have different needs for support from wardens, and those needs are not spread evenly amongst the schemes.

Although getting adaptations done for people who are physically disabled is often a vital part of helping them to maintain independence, there have been delays in organising and carrying out adaptations. There is now on average a 6 - 9 weeks waiting time for Occupational Therapist (OT) assessments of the adaptations required (recently the figure has been much higher as a result of long-term sick leave). The OT team cannot provide consistent support to housing for the Decent Homes Scheme and Housing Needs assessments, except for clients already on the caseload, because of continuing problems with staffing levels.

#### Key Achievements

- Input to the joint commissioning group representing housing, health and social care which appointed specialist consultants in late 2004 to review older people's housing needs
- We have developed, with service users as well as colleagues from Supporting People and Social Care, a model for assessing whether sheltered housing schemes are still "fit for purpose", or need remodelling of the fabric of the building or services to match current and future needs, and used it to review all of the sheltered housing schemes. This assessment also included what maintenance is needed to them (including work to bring them up to Decent Homes standard); discussions with residents and wardens about the positive and negative aspects of living there; and a Supporting People (SP) assessment
- As a result of the Sheltered Housing Review, the approved 3-year major works programme now includes Decent Homes improvements for sheltered housing schemes to be completed by 2010. Much of the work entails kitchen and bathroom replacement programmes giving the opportunity to install level-access



shower facilities in line with residents' aspirations. This will also contribute to tackling the backlog of adaptation requests, which are frequently for the installation of showers.

- We have adapted homes for 120 physically-disabled tenants between April 2005 and April 2007, and improved our procedures so that tenants awaiting adaptations have more information about the progress of their application
- We have directly employed Occupational Therapists (OTs) to carry out adaptation assessments for tenants whose homes were included in the 2006/7 major works programme in order to tackle the OT waiting time issues. This will continue for the current 3 year major works programme.
- We have developed a funded programme for CCTV upgrades at sheltered blocks

### Future Directions

We must plan how to implement the recommendations of the Review of Sheltered Housing. From the assessment described above, we concluded that most of the Council's schemes are "fit for purpose" as conventional sheltered housing - they offer relatively modern accommodation with mostly 1-bed flats and most schemes have lifts. However, there is a need to create 2-bedroom accommodation, where possible.

There is also scope to extend the use of communal areas in sheltered schemes and the activities offered to residents (and older people from the community, subject to consultation with scheme residents) in ways that promote their independence and wellbeing. For example, we are looking at lifelong learning activities such as IT training which might enable residents to order bulk shopping, and language courses; exercise and health education sessions specifically aimed at older people; and lunch clubs combined with activities such as speakers to encourage social interaction between residents, and help reduce isolation.

We will carry out a feasibility study into the use of one of the more modern schemes for extra care. It could be adapted at relatively low cost to offer enhanced/extra care facilities by the addition of assisted bathing and staff sleepover facilities

We are reviewing the allocations arrangements for sheltered housing as current practice is to offer it to potentially homeless applicants who are aged 60+ but do not necessarily want or need the support of a warden. We need to consider whether this is the best use of sheltered housing resources, the best mix of frail and more active people in sheltered housing, and the impact on the rest of the stock if we do not use sheltered housing as a matter of course for older, potentially homeless applicants.

Management of the wardens' service is due to be transferred to Resident Services in July 2007. Consultation has taken place with wardens and residents on proposals to develop a more flexible, peripatetic service in which wardens will work in teams, sharing out responsibilities for a group of schemes. This proposal is seen as offering the benefits of:

- The ability to target support to those tenants in most need
- Better opportunities for staff cover in the event of absence
- The benefits of team working for wardens
- Encouraging more contact between tenants in different schemes
- A more standardised approach to service delivery

- Better communication across the sheltered housing service as a whole.

The new service will be piloted later in 2007.

As part of our new way of working, we are determined to build better relationships with colleagues in Adult Services (which will be in the same Directorate as Housing), health organisations and voluntary organisations that offer care and support to older and vulnerable tenants. We will do this by making sure that all Housing staff understand what care and support services are available, and who provides them; and by agreeing protocols for referrals for care and support assessments for tenants who housing staff think may need this additional help. We hope that this will improve access to specialist support such as:

- Harrow's Helpline service system - older residents have a wireless hotline to a 24-hour contact centre so they can continue living in their own homes but get emergency help if they need it.
- Harrow's pilot Telecare service - this assistive technology project was launched in 2006 and supports people across the borough to retain their independence and improve their quality of life through the use of technology. Sensors alert the Council if their usual pattern of living is disrupted – for example, if they have been out of their home for an unusually long time during the night. The service is grant-funded by the Government and links to the Helpline emergency telephone service
- Two new specialist home care services being commissioned by Harrow on a trial basis – one to promote independence and the other to help dementia sufferers

We have a budget of £500000 per year for adaptations for people with disabilities.

If the savings to repairs and maintenance budgets anticipated through the HIPSP contract are realised, we will consider a programme of internal decorations for vulnerable, elderly and disabled people.

## **STRONG COMMUNITIES THAT PEOPLE WANT TO LIVE IN**

To achieve our objective of Council estates being strong and attractive communities, we need to tackle the physical and social environment of Council homes, taking steps to reduce antisocial behaviour and promote community cohesion as well as improving the appearance of estates so that we achieve sustainable communities. For two estates (Mill Farm and Grange Farm), this will mean an options appraisal. The green agenda is becoming more and more important with pressures on the Borough to increase recycling, and residents more aware of environmental issues.

### Stakeholder priorities

At the Strategy Conference, residents/stakeholders agreed that improving both the social and physical aspects of estates is a vital part of building stronger, sustainable communities. Stakeholders who attended also wanted more services and facilities for young people, and for housing to be champions of environmental stewardship.

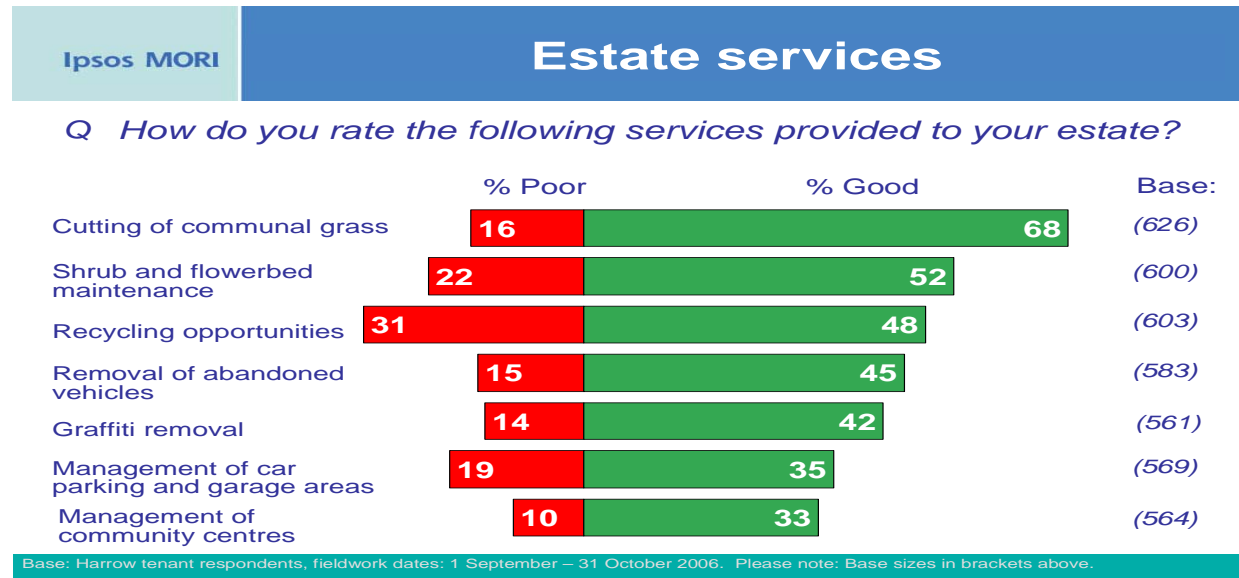
The Tenants and Leaseholders Consultative Forum want a clean and safe environment; to promote pride in the local environment, encouraging ownership and responsibility from all residents; better recycling opportunities; improved bin areas;

and more parking. To help prevent antisocial behaviour, the TLCF have pointed out the importance of proper community centres and facilities for young people

HFTRA want car parking to be properly controlled, and regular maintenance of white lines etc. to be arranged. They also pointed out the importance of “joined-up” services to estates from the Council as a whole, and the need to co-ordinate these services so that waste and duplication are avoided.

### Challenges

The chart below shows tenant satisfaction with the services provided to estates.



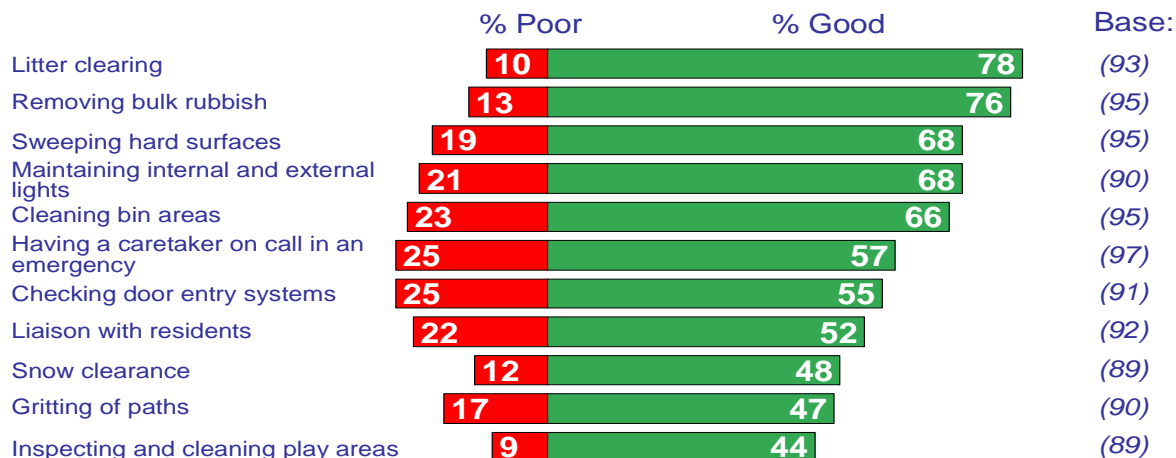
From the 2005 Leaseholder Survey, we know that 46% of respondents to the survey thought the grounds maintenance service was fairly or very poor.

The charts below shows what tenants think of the caretaking service, and how important each part of the service is to them. The TLCF agree that litter clearing, and bin area cleaning are currently very basic services, which need to be improved.

Ipsos MORI

## Caretaker services - quality

Q How do you rate each aspect of the caretaking service you receive?

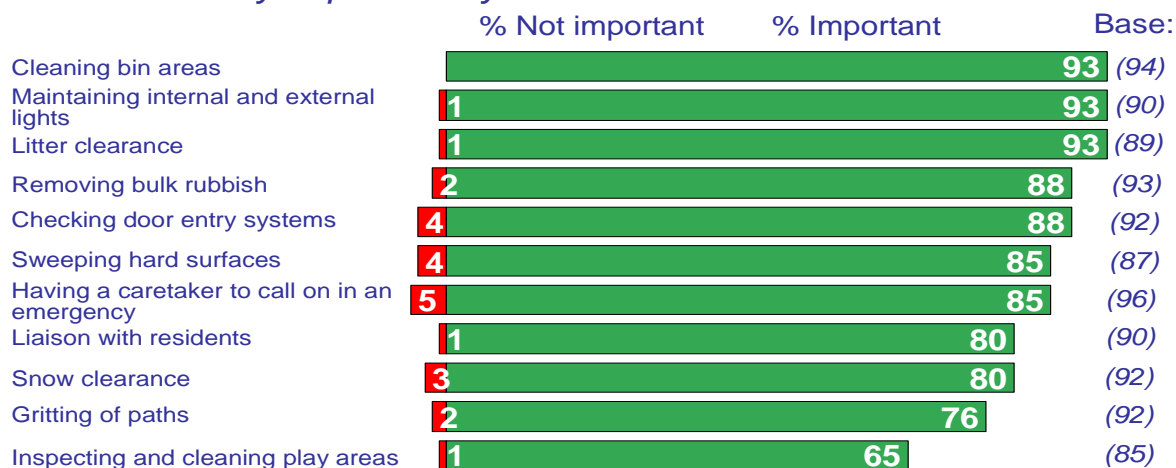


Base: Harrow tenant respondents who have a caretaker responsible for communal areas, fieldwork dates: 1 September – 31 October 2006. Please note: Base sizes in brackets above.

Ipsos MORI

## Caretaker services - importance

Q How important are the following aspects of the caretaking service to you personally?



Base: Harrow tenant respondents who have a caretaker responsible for communal areas, fieldwork dates: 1 September – 31 October 2006. Please note: Base sizes in brackets above.

From our Leaseholder Survey in 2005, we know that nearly half of the leaseholders responding to the survey are fairly or very dissatisfied with the caretaking service.

The Mill Farm Estate is relatively unpopular compared to the Council stock as a whole leading to higher turnover and low demand. It is unattractive and has suffered from a range of anti social behaviour including joy riding, fly tipping, car abandonment and a general breakdown of security. It is difficult to improve security due to the design of the housing and the number of pedestrian routes leading into and out of the estate. There is wasted land and the communal areas are largely unused. The estate contains some bed-sit accommodation that is unpopular.

The Grange Farm Estate is also relatively unpopular, and both here and on Mill Farm, achieving the Decent Homes standard will be at a substantially higher cost than the average for the rest of the stock.

### Key achievements

- We transferred the Rayners Lane Estate to Home Group, with almost 75% “Yes” votes from residents. Complete regeneration of the estate is now underway including the demolition and rebuilding of most of the housing including some housing for sale, as well as other initiatives aimed at improving the quality of life, particularly for young people, on the estate
- Within Housing, we have improved our response to Domestic Violence and Racial Harassment by reviewing our internal policies; contributing to a directory of independent advice for victims of Domestic Violence; training all new housing officers on how to help victims of Domestic Violence; agreeing a reciprocal rehousing process with 7 West London boroughs so that victims of hate crimes can be rehoused away from perpetrators in appropriate cases; adopting a new casework system for dealing with antisocial behaviour, and training staff in its use
- With our colleagues in the Antisocial Behaviour (ASB) Unit, we have helped to respond effectively to antisocial behaviour by arranging with Ealing Mediation Service to refer mediation cases to them, and finalising an ASB Protocol (an agreement between the Council, Police and other agencies that explains the procedures taken by the ASB Unit in Harrow and sets out clearly the expectations that the ASB Unit has of its partners)
- With our colleagues in the Crime Reduction Unit, we have helped to improve our response to hate crimes by establishing 13 trained Hate Crime Third Party Reporting sites in the community and undertaken a high-profile publicity campaign across the borough to encourage people to report hate crimes; prepared a Victim Support Pack for victims of race and faith crimes; and provide a Free phone multi-lingual helpline
- We have begun a programme of twice-yearly estate inspections, attended by residents and housing staff (including Area Managers), and reviewed the procedure for dealing with abandoned cars
- We have delivered a Minor Estates Improvements programme, after agreeing priorities with residents. The improvements include play areas, gates to a garage area to prevent fly tipping, provision of/changes to bin areas to improve appearance and reduce nuisance, additional external lighting and increasing fencing height to improve security, installation of water butts at suitable garage sites to allow water collected to be used for plant watering and washing cars, the installation of improved CCTV at sheltered schemes and bollards to prevent parking on grass verges at a number of locations

### Future Direction

**Reduce crime, anti-social behaviour and nuisance as a result of working with other agencies**

The planned restructuring of Resident Services will create specialist antisocial behaviour management roles. We have done this because it will allow staff to focus on these parts of the housing management task, and we know from benchmarking that this has worked well in high-performing organisations. We will continue to work with other council staff, the police and other external agencies to address antisocial behaviour and crime. A new aspect of this will be the Harrow Integrated Property Strategic Partnership with Kier Group, which will mean that a single, long-term provider of design/maintenance services will be in place and means that:

- they will be able to build a relationship with crime prevention teams, so that when designing improvements to estates aimed at increasing security and safety, they will do so with an understanding of the needs of the area
- they will have a long-term relationship with residents which means that design solutions can be targeted at areas most important to service customers and
- joint responsibility for the construction and future maintenance of buildings will encourage them to use of vandal-resistant materials.

We are currently finalising the introduction of new Tenancy Agreement that will enable us to repossess properties from perpetrators of domestic violence (this is currently out for consultation with tenants). We will introduce the demotion of tenancies in cases where a tenant is the perpetrator of antisocial behaviour or hate crime, and prioritise Minor Estates Improvement schemes that could help reduce crime or vandalism, or divert young people away from antisocial behaviour.

### **Develop employment opportunities for residents**

With an annual turnover for the minor works contract in the region of £6m per year, Kier has guaranteed to:

- create 5 apprenticeships every year of the contract
- provide up to 20 work experience placements for young people each year
- deliver a 'First Start' training programme for 15 young people each year providing them with an insight into all the main trades within the building industry; as well as a health and safety overview and a certificate of achievement. Kier are active in the development of learning academies
- promote local employment and seek to maximise local employment every time they recruit

### **Improve Estate Services and Appearance**

Not all of these services are directly provided by Housing, but we see our role as co-ordinating improvements to these services so that they meet the standards tenants want. The re-organisation of Resident Services will bring more environmental management focus. **Estate Liaison Officers will** work with residents locally to monitor and resolve problems in the delivery of caretaker, grounds maintenance, refuse and cleaning services, and repairs to communal areas; to be a dedicated contact for all estate services; and to take the lead on local environmental initiatives such as new play areas or planting schemes. They will work with TRAs and the Safer Neighbourhoods Team (SNT) to keep communal areas on estates free from crime and nuisance. A new Resident Participation post will be created to help Tenants and Residents Associations to apply for grant funding from e.g. the Lottery and will

“match fund” this with the budget for Minor Estate Improvements and other environmental works.

The grounds maintenance service is to be re-tendered, with an enhanced specification to which residents have contributed. We will review all other services provided by other parts of the Council, in consultation with tenants and leaseholders, to check whether they are of the quality that residents want and at a cost that compares well to other housing organisations. Where it is clear that a service is not value for money, we will press for it to be market-tested. If we are satisfied that it would not be feasible to get value for money by outsourcing, we will put in place Service Level Agreements – see the section on Smarter Use of Resources.

We are currently reviewing the caretaking service to make sure that it provides value for money. We are about to begin a trial of providing a cleaning service for internal communal areas funded through service charges, to see if it is what customers want.

We will shortly begin a programme of Estate Action Days, which will focus on individual estates that have a poor appearance. On these Days, we will organise a “blitz” clean up, and identify any other problems that can’t be addressed by those attending the Day. Actions will be logged on the “Estate Action Log”, which records all the actions needed on an estate and triggers the involvement of officers across the Council (for example, Highways staff where a new road crossing is needed).

We are introducing a new five-year programme (£400,000 a year) to ensure that all the Housing stock is redecorated externally together with the internal communal areas on a rolling programme.

The future Minor Estates Improvements programme of around £100,000 a year will include further play areas, a basketball court, new pathways and planters, alley gating to prevent antisocial behaviour, more bollards/gates to prevent non-resident and inconsiderate parking, more external lighting, and more estate notice boards.

Tackling empty properties is an important element of improving estate appearance and reducing vandalism and antisocial behaviour. We explain our plans for reducing turnaround times for empty properties in the section on Smarter Use of Resources

### **Addressing unpopular housing**

The Options Appraisal highlighted some estates for which further work was needed to determine the best solution for their future because Decent Homes works alone will not improve their long-term sustainability and/or the physical construction type means that there are difficulties carrying out this work.

Mill Farm Close is a small estate consisting of 7 four-storey system-built blocks of flats providing 112 homes. Included within the appraisal area is Miller Close comprising 26 houses and 62 Rickmansworth Road comprising 9 flats and several garage sites (some already demolished). A number of major issues have been identified including spalling concrete, defective wall ties, excessive sound transmission between flats, limited insulation and poor energy efficiency, balcony repairs, need for rewiring, new windows, kitchen and bathroom replacement. External consultants have been appointed to help us to review options for the regeneration of Mill Farm Close. Tenants and leaseholders will be closely involved in looking at options, with assistance from an Independent Tenant Advisor.

Grange Farm estate consists of 256 homes, most of Resiform construction. Although they were comprehensively refurbished in the mid-1990s, a detailed appraisal of 30-year investment needs is needed as well as consideration of wider issues such as poorly-used drying and storage areas, poor use of the large communal areas and lack of private amenity space. A detailed options appraisal will be taken forward with residents as is already happening with Mill Farm.

### **Looking after the environment**

Harrow's Refuse Team will shortly be supplying flats with a large blue bin to collect all mixed dry recyclables (paper, glass, cans and plastic bottles). This will happen in phases, but by 2008 we hope to achieve 80% flats recycling in the borough.

The new HIPSP contract with Kier will deliver the integration of sustainability into property design.

## **QUALITY HOMES AND SERVICES FOR COUNCIL RESIDENTS**

People who live in Harrow Council homes – tenants and leaseholders - deserve high-quality homes and landlord services. We are determined to improve on our performance and respond to the needs of residents, as well as the Government's Decent Homes targets. Our priorities are:

- to achieve Decent Homes in Council stock by 2010
- to make radical improvements in the repairs service
- to increase leaseholder satisfaction with the service we provide to them
- to increase customer satisfaction with their first contact with the Housing service and the outcome of queries

The section in the Plan on Stronger Communities looks at improving estate services like grounds maintenance. Overall, we have an ambitious target of 85% tenant satisfaction with our services within 3 years.

### **ACHIEVE DECENT HOMES STANDARD IN COUNCIL STOCK BY 2010**

#### Stakeholder priorities

For the Council and residents, we must achieve the Decent Homes standard in Council stock within the Government's timeframe not just because we are required to do so but also because it is a fairly basic standard and the least that our tenants deserve. Resident priorities for planned maintenance identified at the Strategy Conference and by TLCF include a high standard of quality control in works programmes; a robust programme of planned and cyclical maintenance that will prevent repairs problems happening; improved communications between residents and contractors; and the use of better quality components with a longer life cycle.

#### Challenges

Progress so far in reducing the overall percentage of Council homes that are non-decent (see Appendix 2b) seems disappointing. The reasons for this are as follows:

- The proportion of the capital investment programme for Decent Homes work was not increased until 2004/5, so there was little improvement in 2003/4 and 2004/5.



As spend on Decent Homes was limited, more homes became non-decent during 2003/4 and 2004/5 than were brought up to Decent Homes standard

- Investment in Decent Homes increased in 2005/6 and 2006/7 after the Option Appraisal exercise, but delays in getting works on site mean that homes in these programmes are still to be completed. The proportion of homes becoming non-decent was also significant in 2006/7 and this combined with delays in progressing works during the year has led to a significant increase in non-decency at the 1 April 2007.

The new HIPSP (see below) should accelerate delivery of the Decent Homes programme, so we estimate that there will be significant progress in 2007/8 as backlog works are completed. However this progress will not be recorded until 1 April 2009 when the programme starts to tackle newly arising non-decent homes.

The investment required to deliver Decent Homes has increased, because:

- Actual unit costs for replacement of elements have been used to estimate investment requirements. These are higher than the benchmarks used in the Option Appraisal. Whilst the HIPSP should deliver better value for money, it is considered prudent to base investment requirements on current actual costs
- Additional requirements for potentially failing properties up to 2010 have now been included following additional information being added to Codeman
- Additional allowance has been made for environmental improvements in accordance with residents' aspirations.

The estimated investment needs up to 2010 for Decent Homes works and other planned maintenance including disabled adaptations and environmental improvements now total £32.7m.

Harrow's properties have below average SAP ratings. No improvement was recorded for 2006/7 reflecting the delays detailed above in relation to getting works on site.

### Key Achievements

- The new partnership with Kier (see below) has been a collaborative effort including colleagues across the Council and residents. The complex process has been undertaken on time and offers the prospect of significant improvements
- A detailed 3-year programme is now in place allowing for early planning of work through the Kier partnership and to ensure timely delivery of programmes, as resources are made available.

### Future Direction

The housing capital investment programme was significantly increased in January 2007 to match the requirements set out above. The total investment available for 2007-2010 is £35.3m, allowing a contingency for additional properties to be added as work progresses - experience suggests there will be non-decent properties not picked up through the stock condition survey, and works required to some properties over and above those originally identified. The confirmed 3-year capital investment programme is as follows:

<b>Programme</b>	<b>2007/08 £000</b>	<b>2008/09 £000</b>	<b>2009/10 £000</b>
Decent Homes programme	10,400	10,600	9,100
Other planned work including environmental improvements	1,400	1,400	900
Adaptations for disabled people	500	500	500
<b>Total</b>	<b>12,300</b>	<b>12,500</b>	<b>10,500</b>

A 3-year programme detailing all the Decent Homes works on individual properties up to 2010 has been developed using Codeman. It was widely consulted on with residents in early 2007, and has now been issued to Property Services for delivery.

The Mill Farm estate and Grange Farm estate are subject to further option appraisal as described above. Decent Homes works to these estates may complete post 2010 depending on the recommended solution and the extent to which they interface with other neighbourhood renewal or regeneration programmes.

The Council has set up the Harrow Integrated Property Services Partnership Project (HIPSP) project to improve radically both responsive and planned works to housing and all corporate property. The Council has appointed Kier Group, and the contract will begin in July 2007. Early meetings have already taken place with Kier to plan delivery of the Decent Homes programme and officers responsible for the contract are confident that the new partnering arrangement will ensure delivery of the 3-year Decent Homes works programme by March 2010. Full details of the Partnership are given in Appendix 5, but for the Decent Homes and planned maintenance programmes the key improvements are likely to be:

- The ability to resource, and complete on time, major capital work programmes (especially Decent Homes) and the introduction of a performance-led approach to building project management, linked to corporate priorities. Targets reflecting upper quartile performance have been set with Kier (see Appendix 2b)
- Cost reductions over the life of the contract and improved financial management of capital and revenue construction projects
- An increased focus on whole-life costing, moving away from short-term approaches to property management
- Resident liaison officers to make sure that improvements meet tenant needs and improve communication between residents, the contractor and the Council
- Extension of defects liability period to 12 months for all jobs completed by Kier

Representatives from HFTRA were on the tender evaluation team, and their views were taken into account in the decision-making process. We want to build on this relationship and include stakeholders in future project management.

The plans put in place to achieve the Decent Homes standard will also contribute to increasing the average SAP rating. The options appraisals for Mill Farm will deal with poor energy efficiency on this estate, which are not suitable for the standard energy efficiency programme (installation of gas condensing boiler with cavity wall insulation, increased loft insulation and double glazing).

Although we believe our stock condition data is reasonably comprehensive, we need to make sure that it is kept up to date so that we can plan future improvements. We are in the process of establishing a rolling programme of property surveys with Kier

## **INCREASE RESIDENT SATISFACTION WITH RESPONSIVE REPAIRS SERVICE**

The responsive repairs service is delivered by the Housing Minor Works team, part of the Council's Property Services. Access Harrow, the Council's customer contact centre, is the main access point for tenants reporting repairs. Building partnering contractors appointed by the Council in 2004 have done most general maintenance, repairs to empty properties, and gas testing/servicing, with some maintenance to lifts, fire alarms, and water services delivered by specialist contractors.

### **Responsive repairs**

#### Stakeholder priorities

The MORI survey shows that tenants think the repairs service is the most important service provided to them – and also one of the top three services needing improvement. The TLCF would like to see continuous improvement in the repairs and maintenance service; a high standard of quality control; a service, which gets all repairs – but particularly urgent repairs – right first time; and a reduction in time taken to do non-urgent repairs. They would also like us to look at the possibility of a multi-skilled handyperson service.

#### Challenges

The BVPIs for the service (see Appendix 2c) show that our performance in getting repairs done within timescales is around the average, but we undertook some more in-depth benchmarking, comparing our performance with other Councils/ALMOs in 2005/06 (see Appendix 2d). They show that although overall satisfaction with the service is higher than average:

- the percentage of repairs carried out as responsive rather than planned is much higher than average. Responsive repairs are usually more expensive than planned, so this is a waste of scarce resources
- the percentage of repairs classed as emergency/urgent was much higher than average – this often means that non-urgent repairs get neglected, even though they may be very important to the tenant. The benchmarking table shows we were taking 21 days to do non-urgent repairs compared to an average of 13 days
- weekly maintenance costs per property were nearly 35% higher than the average

Repairs funding from the HRA was reduced from £5.89m in 2005/06 to £4.74m in 2006/07 in line with the Options Appraisal, and further reductions will be made in future years, so the service faces the challenge of providing a quality service for less. It has been difficult to recruit permanently to key posts and turnover of temporary staff has been high. The repairs service does not provide a face-to-face service and neither does Access Harrow. Residents who can't get through to these access points for reporting repairs come to Resident Services reception instead, and our response to this has not been as good as we would like.

#### Key Achievements

- Benchmarking showed that 74% of the responsive repairs that we carried out in 2006 were emergency or urgent repairs. We have reduced that to 45% in 2007
- We have revised the Tenancy Agreement to include a clearer statement about the respective repairs responsibilities of tenants and the Council, and to make tenants more aware of their obligation to allow us access for repairs, especially annual gas safety checks
- The level of pre- and post-inspection of repairs has been increased
- We appointed Brent Housing Partnership in February 2007 to provide additional support, and help prepare for the new partnering arrangements with Kier

### Future Direction

A cross-departmental working group looked at options for future contracting arrangements for repairs. The options considered were leaving Housing repairs as a separate area or including these works within an integrated approach to property services. The working group decided that the latter could provide tenants with a more effective service. As a result of this, we are currently negotiating the final details of the Harrow Integrated Strategic Partnership with Kier Group. Full details are given in the section of the Plan dealing with Achieving Decent Homes above but for the repairs service the key improvements are likely to be:

- Appointments for repairs, with a longer-term aim of offering appointments outside standard hours e.g. early evenings or Saturday mornings
- Transfer of repairs service without disruption to tenants
- Improved performance in areas that tenants and the Council believe are important. Targets that reflect upper quartile performance have been set with Kier as shown in Appendix 2c, including reduced times for delivery of non-urgent repairs (from 15 days in Quarter 3 of 2006/07 to 9 days by 2009/10) and most repairs to be completed at the first visit
- Repairs cost reductions
- A Repairs Forum of Housing customers to meet at least 4 times a year with Kier to discuss/influence service delivery (Kier will provide members of the Forum with free mobile phones to help them fulfil their representative duties)
- 100% satisfaction survey monitoring undertaken for the first 6 months of the contract by Kier so that any teething problems can be identified and dealt with

We will improve our response to customers who contact Housing directly about repairs by increasing the number of front line staff able to deal with repairs issues.

### **Gas Servicing**

The comparison of BPSA gas servicing performance indicators shows that our performance is around the average. However, this average is distorted by exceptionally poor performance in one other Council – if this is taken into account our performance is in the lower quartile for the Councils compared. We have already

reviewed our procedures for gas servicing, and it has been included in the new partnership contract with Kier – Housing contributed to the specification for that work, and to setting the clear targets (zero gas servicing certificates to be outstanding at the end of 12 month period) now included for improving this aspect of service.

## **INCREASE SATISFACTION WITH LEASEHOLDER SERVICES**

### Stakeholder Priorities

Our leaseholder survey (see Appendix 6) conveyed the strong message that many leaseholders were dissatisfied with the services we provide to them.

### Challenges

The main challenge for this service is to improve leaseholder satisfaction from a low base, systematically tackling all the factors that have an impact on their satisfaction with the service. In the past, we have done this with little involvement from leaseholders themselves. We are changing this, so that we work with them as far as we can to tailor services to their needs.

### Key Achievements

- Setting up the Leaseholder Support Group so that we have a forum where we can consult with leaseholders and involve them in decision-making
- Improvements to service charge invoicing so that they reflect recent costs, are accurate and easy to understand
- Issuing separate major works invoices as and when the work is complete and the costs have been validated
- We have improved procedures for statutory consultation and recharging for major works; set up a library of procedures, standard letters and best practice; and provided training for staff
- We have reviewed all disputed leasehold invoices, and arranged write-off of those where the prospect of recovery of the debt is minimal
- We have appointed a manager for the Leasehold Services Team

### Future Direction

We believe that the work that we have already done on improving our services to leaseholders has resolved some of the dissatisfaction that was expressed in the Survey results. We will re-survey leaseholders soon – working with the Leaseholders Support Group to make sure we ask the right questions and encourage responses - to check whether this is the case.

We are still concerned – as are leaseholders – about the value for money of some estate services such as grounds maintenance. The section of the Plan on Smarter Use of Resources deals with this in detail.

We are working with Kier and the Leasehold Support Group to see if a repairs service can be made available to leaseholders

We will be making arrangements to help leaseholders to access debt counselling, so that those with financial problems are able to get support. We will shortly introduce, in partnership with the Leasehold Support Group, a quarterly newsletter for leaseholders, to keep them up to date with the improvements we are making in the service. A longer-term project is to introduce a Plain English lease, which we hope will make their rights and responsibilities clearer to leaseholders

## **INCREASING RESIDENT SATISFACTION WITH ACCESS TO SERVICES**

### Stakeholder Priorities

From the Strategy conference, we know that improving accessibility to services is important. Access Harrow is a corporate priority. From the most recent STATUS survey, we know that residents are unhappy with aspects of the services we provide, in particular access to the services and the outcome of queries. We want to make sure that staff are able to communicate in a clear and helpful way with residents, and to have clear service standards that we have agreed with residents.

### Challenges

We must learn how to work with Access Harrow to deliver a joined-up, effective service to residents who want to access all Housing services; and make sure that our services are accessible by, and meet the needs of, all sections of the community

### Key achievements

- We have invited representatives of the Somali community into Housing to get their views on how we can profile services to better meet their needs
- We have reviewed the content of housing web pages and improved the speed at which customers can access it
- We have launched the award-winning Access Harrow customer contact centre
- We have prepared a new Tenant Handbook (with the active involvement of tenants) so that all tenants have a clear picture of what they can expect from us
- We have provided Plain English training for all staff

### Future direction

Our priorities are to:

- Consult residents on standards for all services, and publish the resulting standards to all residents
- Review all standard letters to make sure that are understandable
- Train residents to undertake “mystery shopping” so that they can help to monitor our performance in this area
- Provide customer care training for all staff

## **SMARTER USE OF RESOURCES**

Our decision to use prudential borrowing to achieve Decent Homes standards for Council homes means that we have to make the most of every penny of our income. We are determined to make sure that we collect all the rent and service charge

payments due to us, and to use them wisely. We also need to make best use of our homes and other assets that belong to Housing – for example, garages and community halls. This will contribute to achieving the strategic objective of tackling homelessness and high demand, whilst reducing temporary accommodation.

## **Getting Income In**

### Stakeholder priorities

HFTRA is keen for us to make the most of our HRA assets.

In our 2005 survey, leaseholders said that service charge bills and bills for major works are difficult to understand, and that some services are not value for money.

### Challenges

Many tenants and leaseholders have financial problems that mean that paying rent or service charges can be difficult. These problems are likely to increase as costs of living and interest rates rise, and more tenants become dependent on benefits.

In the past, as set out in the Audit Commission inspection report, we have not handled the recovery of leasehold service charges well. We have not had comprehensive records of what is owed to us by leaseholders; we have not charged them for all the services they receive; and we have not presented “invoices” to them clearly. We have also performed poorly on the collection of Former Tenant Arrears.

Housing staff currently have a “generic” role – this means that they do a wide range of tasks. This can make it difficult to concentrate on getting rent arrears paid by tenants. Our performance on arrears collection is average (see Appendix 2f)

### Key achievements

- We have increased garage rents to move towards market rents
- We have “depooled” service charges from rents so that tenants can see what they are paying for the services they get
- The Council commissioned Capita to look at its commercial property. The HRA has a portfolio of properties – mostly parades of lock-up shops, some on housing estates. Some are used by community users. Vacancy rates are very low in comparison to other boroughs. Rental rates are broadly comparable with the private sector. Capita’s conclusion was that provided that there is allowance for investment in the fabric of the properties, they should provide a reasonable long-term income stream for the HRA
- We have implemented a new computer system for Right to Buy purchases which means that we can keep a better track of what leaseholders are liable to pay towards the services they receive
- We have reviewed our policies to improve the potential for collection of Former Tenant Arrears, as suggested by the Audit Commission; have developed a new write-off policy as result of learning from benchmarking; and have written off £68,848 of uncollectable Former Tenant Arrears debts (14.07% of the total owed)

### Future direction

We are more likely to be able to collect rent and service charges due to us if tenants and leaseholders understand what they owe and why they owe it. Access to money advice can improve the ability of residents to pay. We also need to encourage tenants and leaseholders to prioritise payments due even if they have financial problems. Staff must be properly trained and focused on income collection.

Our priorities are to:

- Improve arrears collection, partly through more work on prevention (including home visits to tenants in arrears, and improved arrangements for advice on benefits and debt) – we have set a top quartile target for this service
- Create specialist roles to focus on collecting rent and service charges – this change is based on what organisations successful in collecting arrears do – and strengthening management of the income collection service
- Explore a “Reward” scheme to encourage tenants to pay rent on time. Tenants who pay their rent on time could be offered (for example) enhanced services, shopping discounts, or entry into a cash prize draw
- Apportion service charges (including all relevant costs e.g. staffing) appropriately to leaseholders so that they are charged a reasonable share of the cost
- Help leaseholders to access debt counselling
- Review the use of and charges for community halls to ensure that we get as much income as possible, balancing this against our aim of strengthening communities by encouraging their use by the people who live near them

### **Spending Wisely**

#### Stakeholder priorities

Leaseholders told us in the 2005 survey that they do not think that we provide value for money services.

#### Challenges

The “depooling” of service charges means the cost of services provided to tenants will be more transparent than in the past. We need to be able to demonstrate we are providing value for money in these services to tenants as well as to leaseholders.

Our average weekly management costs have historically been low in comparison to other similar authorities (see Appendix 2g). However, our maintenance costs and costs for other services seem high, and it is these that we need to tackle as a priority.

To achieve all the changes that we want to make, we will have to change the way we work now. We know that at present we do not have enough management or staff capacity; we don't focus enough on what is important to customers; we have limited information on our performance; and there is a “blame culture” within the Council which means that we waste time “covering our backs”. We need to develop a culture within Housing that encourages a “can do” approach, focused on customers.



Although we have reviewed procedures and brought them into line with best practice, we have more work to do to help staff to understand and use them properly

### Key achievements

- The Harrow Integrated Property Services Partnership Project (HIPSP) which is explained in detail in the section on Quality Homes and Services, is about to go live, and we expect it to deliver improvements in the quality of repairs and major works as well as cost benefits

### Future direction

We will be monitoring the outcomes of the Harrow Integrated Property Services Partnership Project to check that the expected value for money benefits are realised.

We must make sure that services provided to Housing and its tenants by other parts of the Council represent good value for money. We will therefore review all these services, with tenants and leaseholders, to check whether they are of the quality resident's want and at a cost that compares well to other housing organisations. If a service is not value for money, we will press for it to be market-tested.

We will also put in place, again with the involvement of residents, detailed, costed and measurable Service Level Agreements for all services provided to Housing and to its tenants, setting out what services are to be provided, and the costs to Housing. For most services, Agreements are already in place, but we need to make sure that we are monitoring them and checking that they represent good value for money.

We need to know more about our tenants so that we understand their needs. We now have a programme of tenancy visits to collect more data about tenants, and - over time – to focus our spending on those in most need.

We are reorganising Resident Services so that we can deliver the services residents want at a reasonable cost. HFTRA representatives have been specifically consulted on our proposals. As well as a small increase in Housing Officer posts, and the appointment of a new Operational Manager to oversee frontline services, we will be participating in the corporate project to achieve Investors in People accreditation, and in the leadership and staff development programmes being offered corporately.

In 2005, Capita was selected as Harrow's strategic partner in a Business Transformation Programme (BTP). Key elements of the BTP are the development of a contact centre (Access Harrow) and one-stop shop. A programme to enhance operational systems and processes, provide integrated management information services and associated IT and systems management is underway, and will help us to modernise some of our filing and telephone systems, to enable us to work more effectively, and improve our management information systems.

## **Making Best Use of Council Homes and Assets**

### Stakeholder priorities

We can contribute to two of the Housing Strategy objectives – reducing homelessness and increasing affordable housing – by making sure all our properties are being used in the best possible way, and using other assets owned by the Housing Revenue Account effectively. One way to do this is to reduce the length of time that properties are empty between lettings as much as possible. Another is to

make sure that our homes are lived in by the people they were let to, and not unauthorised occupants. Strategy Conference attendees wanted to see more family properties available, to meet the undoubted demand for these homes. This could be achieved by reducing under occupation (that is, people living in homes that are larger than they need) or extending existing properties. The TLCF reminded us that older people may need help in using the Locata Choice-based lettings system – even if they want to move to somewhere smaller and easier to manage they may be put off by having to apply through a system they don't understand.

### Challenges

Our performance in reletting empty properties has been poor in the past. Appendix 2h shows performance compared to other stock-owning outer London boroughs.

Right to Buy, especially of larger family homes, means that our stock of homes for those who need housing has decreased. The homes that are left are smaller, and this means that there is a very small pool of properties with more than 3 bedrooms available. This means that families are overcrowded in their current homes, and may have to wait a long time to be offered a home that is the size they need. The 2001 Census identified 775 Council properties where the people who live there have two or more rooms more than they need. We would never pressurise an older person to move from their family home to free it up for a family that needs it more, but we must encourage them to consider whether a move like this would be beneficial for them (for example, if the garden is getting too much for them) and make it easy for anyone who does want to do this to move.

### Key achievements

- Performance in turning round empty properties has been gradually improving for the past 18 months – from 42 days to 32.6 days in 2006/07 – close to the average as shown in Appendix 2h. We achieved this by advertising and pre-allocating properties as soon as we know a property is becoming empty; inspecting properties on the day or the day after the keys are returned; and inspecting repair work on the day or the day after works have been completed. And progress is continuing – in April 2007 turnaround time was 28.5 days and in May 2007 it was down to 26 days (beating our target for 2007/08 of 29 days)
- We have introduced the Locata choice-based lettings system with neighbouring Councils and local housing associations to reduce the number of properties refused by new tenants and existing tenants wanting to transfer
- We have reduced the number of refusals per property - property is now usually let on the first viewing. This is mainly because the officer who accompanies the prospective tenant on the viewing also carries out the void inspection, knows what work is going to be carried out and can give this vital information to viewers
- 85 larger properties have been released as a result of our under occupation incentive scheme in the past 3 years
- We have reviewed our procedures for mutual exchange, succession and abandoned properties to make sure that all Council stock is being used in the best way possible
- Working with our partner West London authorities, the West sub region was awarded funding to enable the deconversion/extension of Council properties to

provide larger homes. The scheme has been slow to start in Harrow, as each property must be capable of providing an additional 2 bedrooms at an average capital cost of £50,000. However, we currently have 1 property awaiting planning permission for extension from a 3-bed to a 5-bed house and are in the process of identifying other suitable properties.

#### Future direction

We believe that a void turnaround time of 20 days is achievable, and intend to deliver this. The Harrow Integrated Property Strategic Partnership arrangements (see Appendix 5) are expected to deliver improved turnaround times and costs benefits for empty property management, and we expect turnaround time to reduce again as a result of some further changes we have made to our policy and procedures – for example, we now ask potential tenants to sign up on the day of viewing if possible. We are also piloting accompanied viewings while the current tenant is still in the property, and plan to survey the property whilst carrying out the pre-void inspection. (This will prevent 2 separate inspections and free up officer time to do other priority work) and carry out joint post-inspection with Kier. If there are snagging works, tenants will be advised at sign up what they are and how long it will take to do them.

We aim to release a further 21 larger homes through our under occupation incentive scheme in 2007/08 (we have a budget of £76,270 for this). We offer under occupiers who want to move £1,500 for each bedroom given up (to a maximum of £4,500), tax-free, and free removals. People who sign up are given high priority on the transfer list, and can ask for a move to any area in Harrow or to one of our neighbouring boroughs through the Locata scheme. We regularly publicise the scheme in the six-monthly newsletter sent to transferring tenants, and quarterly newsletter to all tenants, and also publicised the scheme in a new brochure about sheltered schemes recently sent to 300 older tenants. We will also explore providing more “handholding” for people who want to move to a smaller home, so that the burden of (for example) notifying utilities of their change of address etc. is reduced.

Strategy Conference attendees suggested a programme of loft conversions and extensions to existing Council houses could increase the number of family properties available. Our progress on extensions is set out above. Unfortunately, much of our housing was constructed with low roof space and it would be very difficult to achieve reasonable size rooms through loft extensions with this and planning restrictions.

We are finalising the introduction of new Tenancy Agreements, which will include a digital photo of the new tenant. This will make it easier to check that they are actually living in the property, and so reduce unauthorised occupancy.

The Council is committed to making best use of space on its existing estates. We are in the process of developing plans for a number of small sites, including disused garages and other wasted space. We have identified sites for about 10 new homes. We will be visiting all our estates to identify further disused space that might be suitable for redevelopment, preferably for much needed large family housing.

The additional rent from the garage rent increase will be re-invested into abandoned and disused garages to bring them back into use.

We have been working on gathering data about the use of our 10 Community Halls. As there are a number of other community buildings (including Children’s Centres, Youth Centres etc) around the borough, managed by different parts of the Council, we have

decided to broaden the scope of our review of use to include all these buildings, with the intention of making sure that they are all used in the best way possible.

## **RESIDENTS WHO CAN INFLUENCE THE WAY THAT THEIR HOMES ARE MANAGED**

Our aim is to empower all residents to have a greater say in the management of their homes and community. To do this, we need to build their capacity to take on a bigger role; provide a range of ways in which people can get involved (from “armchair participation” through to taking on the management of services themselves); and listen to what they are saying. Our main partners in this will be the Harrow Federation of Tenants’ and Residents’ Associations (HFTRA); the Residents’ Empowerment Working Group (REWG); and the Tenants’ and Leaseholders’ Consultative Forum (TLCF).

### Stakeholder Priorities

Harrow tenants made it clear in the Options Appraisal process that they want to look at options for taking on more control of their own housing and community. We want to help them to do that, while ensuring that tenant organisations within the borough represent all sections of the community and that everyone who lives in Council stock has the opportunity to have their say, even if they don’t want to come to meetings.

### Challenges

Only just over half of Harrow tenants are satisfied with the opportunities they have to participate. This is lower than average for comparable authorities (see Appendix 2i).

From our Leaseholder Survey of 2005, we know that almost 30% were fairly or very dissatisfied with opportunities to participate.

We are concerned that our formal resident representation structures are not representative of the community as a whole.

### Key achievements

- We have appointed an Independent Tenant Adviser (ITA) - F.I.R.S.T. Call - to work with resident representatives and the Council. The brief for their work is detailed below
- The Tenant Compact was reviewed in 2006. A group made up of tenants and leaseholders, and officers undertook the review. Elected members were also involved. All Council tenants and leaseholders were consulted before the revised agreement was signed.
- The Compact sets out a wide range of opportunities – formal and informal - for residents to get involved, and a variety of ways in which the Council will communicate with residents, including newsletters, surveys, focus groups, estate “walkabouts”, mystery shopping and “fun days”. It commits the Council to:
  - supporting tenants in their exploration of the Right to Manage (see below)

- providing resources for tenants' and residents' groups, including grants for new and established groups; venue hire costs and expenses; access to premises and equipment for meetings; advice and administrative support
- a continuing programme of training, including induction training, for all Council tenants' and leaseholders' groups and representatives, and any other interested council tenants and leaseholders; and training for housing and other relevant council staff (and Members) on tenant involvement and the Compact
- We have incrementally devolved budgets and decision-making to the Harrow Federation of Tenants' and Residents' Associations
- A Leaseholder Support Group has been established

### Future Direction

F.I.R.S.T. Call, selected by resident representatives, have been appointed to work with residents and the Council to review and strengthen resident engagement arrangements and ensure they are representative, properly constituted and demonstrate probity, and effective in enabling residents to contribute to shaping/improving service delivery. The ITA is also developing a communications strategy; organising training for resident representatives to support and equip them to participate; and working with tenants to set standards for their future housing, shaping service delivery, monitoring performance and communicating the outcomes

At the time of the Options Appraisal, some tenants asked the Council to support further exploration of whether the establishment of a Tenant Management Organisation (TMO) for the borough as a whole would be appropriate and feasible. This body would allow tenants to take direct responsibility for managing their own homes, providing control and power to tenants and empowering them to make their own decisions on their estates. The Council supported an application for funding from the Government to explore this, and £68000 has been granted for this purpose. The ITA will also explore with residents the option of Right to Manage to establish the feasibility and scope for this and, if appropriate, a timescale for achievement.

We recognise the need to develop a strategy for resident involvement. As F.I.R.S.T. Call's work proceeds, we will begin work on this.

### **Action Plan**

The Action Plan, which sets out the specific steps we will take over the next few years to deliver our priorities, is at Appendix 1

Progress against the Action Plan will be monitored by *[details to be added - Harrow]*

### **Contact Details for Comments on the HRA Business Plan**

We welcome comments on the Business Plan, which is an evolving document. If you have any comments or queries, please contact

*[contact details to be added - Harrow]*

## GLOSSARY

Term	Definition
Access Harrow	The Council's customer contact centre
Accompanied viewings	Viewings of an empty property by a prospective tenant accompanied by a member of Harrow's staff
Adaptations	Work to a property to make it suitable for a tenant with physical or sensory disabilities e.g. installation of a lift or shower
Affordable housing	Subsidised housing for rent or shared ownership, for people who cannot afford to buy a property on the open market
Alley gating	Putting lockable gates at either end of an alleyway to prevent it being used for fly tipping etc and to increase security
Arms length management organisations	Companies (or other legal bodies) set up and owned by the Council – but operating separately from it and governed by its own board– to manage services on behalf of the Council.
ASB (Antisocial Behaviour)	Any unreasonable behaviour by others that affects the quiet enjoyment of a home and its surroundings. This would include harassment, intimidation, verbal abuse etc.
Benchmarking	The process of comparing an organisation's costs and performance with other similar organisations
Best Value	The process of ensuring the continuous improvement of public services, through service reviews, <i>benchmarking</i> , consultation and inspection.
BME (Black and minority ethnic)	Groups of people within local communities whose race is in the minority within the UK
BP	Business Plan
BPSA (Business Plan Statistical Appendix)	Set of statistics provide to the Government by Council housing organisations
BTP (Business Transformation Programme)	Project aimed at improving customer access and systems within Harrow, including development of a contact centre (Access Harrow) and one-stop shop; integrated management information services etc
BVPI (Best Value Performance Indicator)	<i>Performance indicator</i> that is required by the Government to assess whether the Council is providing <i>Best Value</i>
Cabinet	Council committee that makes corporate Council decisions.
Capital expenditure	Money spent to buy or improve assets (e.g. land or buildings)

<b>Term</b>	<b>Definition</b>
Capital receipt	Money received for the sale of a capital asset (e.g. land or buildings)
CCTV (Closed Circuit Television)	Camera used to film activity that can be monitored live
Choice-based lettings	A scheme in which people in need of <i>affordable housing</i> can ask to be considered for specific vacant Council or RSL homes, instead of homes being allocated to applicants on waiting lists on the basis of housing need
CIPFA (Chartered Institute of Public Finance Accountants)	The body that sets the guidelines for Council financial accounts
CLG (Communities and Local Government)	Government department responsible for formulating and implementing Government housing policy
Codeman	Stock condition database used in Harrow
Cyclical Repairs	Maintenance carried out on a cyclical basis (e.g. every 10 years).
Deconversion	Turning a property that has been converted into flats back into a single home
Depooling	Separating service charges from rent
DHS (Decent Homes Standard)	Target set by Government for all social housing providers to meet in their homes by 2010. In brief, a decent home will have to: <ul style="list-style-type: none"> <li>• meet the current statutory minimum standards for housing</li> <li>• be in a reasonable state of repair</li> <li>• have reasonably modern facilities and services</li> <li>• provide a reasonable degree of thermal comfort.</li> </ul>
DSO (Direct Service Organisation)	Council department that operates in the same way as a private contractor.
Estate services	Services provided to the external areas of estates such as grounds maintenance, refuse collection and recycling facilities
Extra Care housing	Sheltered housing with additional facilities to allow staff to provide extra support for people who need it
Financial Freedoms Project	Government project looking at allowing more financial freedoms for excellent housing authorities
Former Tenant Arrears	Rent arrears owed to the Council by tenants who have now left a property
GF (General Fund)	The Council's financial account that deals with income and expenditure relating to all the Council's services
GLA (Greater London Authority)	Authority responsible for across-London policy
HFTRA (Harrow Federation of Tenants and Residents Association)	A formally recognised and constituted consultative body, made up of

Term	Definition
	recognised representatives from all recognised and registered resident associations and community groups
HIPSP (Harrow Integrated Property Services Partnership Project)	A new £125m. contract with Kier Construction, who will be responsible for the repair and maintenance of all Council housing, as well as schools and other local authority owned buildings
House Mark	An organisation that provides guidance on best practice and benchmarking services for housing organisations
Housing association	See <i>Registered Social Landlord</i>
Housing Quality Network	An organisation that provides guidance on best practice and benchmarking services for housing organisations
HRA (Housing Revenue Account)	The Council's financial account that deals with income and expenditure relating to the management and maintenance of the Council's housing stock.
HRA subsidy	An annual revenue subsidy provided to local authorities by the Government to help with the management and maintenance of their housing stock
IT	Information Technology
ITA (Independent Tenants Adviser)	An external agency, independent of the landlord, employed during a major project to work on behalf of the tenants. An ITA provides independent information and impartial advice, as well as support and assistance, enabling tenants to understand the processes involved in the project and to play an active role in any negotiations.
LOCATA	The <i>choice-based lettings</i> scheme that Harrow offers
Mediation	A method of resolving disputes between two parties using a third, external party, known as a mediator, who tries to bring the two opposing parties to an understanding of the issues, including each other's point of view
Minor Estate Improvements fund	A fund available to fund works to the environment of estates e.g. play areas, planting, improved lighting
Minor Works team	Team within Property Services that provides the repairs and maintenance service to Housing
MORI	A market research organisation that carried out Harrow's latest <i>STATUS survey</i>
MRA (Major repairs allowance)	Annual Government subsidy given to



Term	Definition
	local authorities to assist with the maintenance of their housing stock, calculated by a formula based on the type and age of the housing stock
Mystery shopping	A form of market research, which uses customers to assess services. Individuals are trained to pose as customers and undertake a series of agreed tasks, aimed at monitoring service delivery.
OT (Occupational Therapist)	Professional trained to assess the needs of physically-disabled people
Partnering	A contract in which the client and contractor have a closer relationship, sharing the risk, often avoiding the time and cost of tendering.
PI (Performance Indicator)	Specific measured pieces of information that show how well a Council has performed in relation to a target
Portfolio Holder	A senior councillor, who is a member of the <i>Cabinet</i> , responsible for specific areas of Council work (e.g. housing, finance etc).
Post-inspection of repairs	Inspecting repair work after it has been completed to check that it has been done properly
Pre-inspection of repairs	Inspecting reported problems to assess what sort of repair is needed
Pre-void inspection	Assessing the condition of a property which is about to become empty
Property Services	Department within Harrow Council that is responsible for the maintenance of Council-owned buildings etc
Protocol	Agreement between different teams/organisations about how clients should be referred from one to the other
Prudential borrowing	The ability of Councils to borrow to fund capital expenditure, but only as much as they know they could pay back over the years of the loan, from their day-to-day income
RSL (Registered Social Landlord)	A non-profit making organisation (usually a housing association) that is registered with, and regulated by, the Housing Corporation.
Rent restructuring and rent convergence	A Government requirement that all councils and <i>RSLs</i> must re-calculate their rent levels, by reference to individual property values, regional and national earnings, national average rent levels and numbers of bedrooms. Nationally, council and <i>RSLs</i> must also ensure that their rent levels are brought in line with each other by 2010.

<b>Term</b>	<b>Definition</b>
RCCO (Revenue contributions to capital outlay)	Rental or other income used to pay for capital expenditure
Resident Services	The team within Harrow Council that provides tenancy and estate management to tenants
Responsive Repairs	Repairs that are done because a part of the building fails rather than in a planned way
RTB (Right to Buy)	A Government scheme that allows Council tenants to buy their own home from the Council.
RTM (Right to Manage)	Statutory right of local authority tenants to take over the management of their homes by setting up a Tenant Management Organisation
Service Level Agreement	An agreement covering the services that one department within an organisation will provide to another, or one organisation will provide to another.
Sheltered housing	Independent accommodation provided to elderly people, with support from a warden and an emergency call facility, usually having a communal lounge facility
Social landlords	Generally, <i>RSLs</i> and local authorities.
SAP (Standard Assessment Procedure)	A measure of how energy efficient a property is, between a score of 0 (low) and 120 (high)
SAP	Type of business computer software
Sensitivity analysis	
Snagging	Minor additional work that needs to be done after major works are completed
SNT (Safer Neighbourhoods Team)	Team of police and Police Community Support Officers (PCSOs) who aim to identify and tackle neighbourhood issues such as anti-social behaviour, graffiti, noisy neighbours, vandalism etc.
STATUS survey	Standardised tenants' satisfaction survey conducted every three years
Stock condition survey	A survey of the inside and the outside of some of a council's properties, that gives an indication of the condition of all the properties
Stock Options Appraisal	A process to determine the most appropriate future ownership and management of the Council's housing stock
Supporting People	A Government initiative which brought together sources of funding for supported housing into county-wide "pots" for distribution to supported housing providers within the County, based on

Term	Definition
	locally determined priorities, through agreed contracts
System-built	Built in a non-traditional way using prefabricated parts such as a steel frame, large concrete panel, timber frame etc
Target rent	The individual rents for properties that councils and housing associations should aim to charge by 2012, based on a Government formula
Telecare	Assistive technology project which uses sensors to alert the Council if an older or vulnerable tenant's usual living pattern is disrupted so that emergencies can be identified and help provided
Third Party Reporting site	Place other than police station where victims of domestic violence or hate crime can report what is happening to them in confidence
TLCF (Tenants and Leaseholders Consultative Forum)	Forum which consists of representatives from the HFTRA, residents' focus groups, the Leaseholder Support Group, tenant management organisations, community groups, forums, and elected members and provides a two-way link between tenants and leaseholders and the Council to discuss issues affecting all tenants and leaseholders in the borough.
TMO (Tenant Management Organisation)	Organisations where tenants have taken over the running of some or all of the services on their estate
TRA (Tenants and Residents Associations)	Voluntary group made up of people who live in a particular area or estate, who have got together to have their say on local issues, improve their area or organise social events
Under occupation	Situation where a household is living in a property that is too big for their needs
Useable Right to Buy Capital Receipts	Proceeds from sales of Right to Buy properties – only a proportion of these can be used directly by the Council as the rest goes to the Government and these are the “useable” receipts
Void properties	Empty (vacant) properties.



## APPENDIX 1

## HOUSING REVENUE ACCOUNT BUSINESS PLAN - ACTION PLAN

Action	Lead Officer	Target completion date	Resources	Performance indicators/expected outcome	Partners
Agree and implement recommendations of Review of Sheltered Housing	J Fernley/ Will Manning/Lorraine Dallas	Cabinet – April 2008 Revised Service Model April 2008 Options Completed December 2009 Options Delivered April 2010	Capital & Revenue resources	Review Action Plan in place	
Develop a directory of contacts for agencies offering care and support to older and vulnerable tenants	Jane Fernley	August 2008		Directory available to staff; increase in Council tenants accessing services	Adult Services, health and voluntary organisations
Agree protocols for referrals for care and support assessments for tenants	Jane Fernley	April 2008		Increase in Council tenants accessing services	Adult Services, health and voluntary organisations
Complete restructuring of Resident Services (specialist roles for ASB, debt recovery etc)	Will Manning	December 2007		Restructured service in place	Capita (BTP)
Finalise introduction of new Tenancy Agreement	Will Manning	December 2007	£3000	New Agreement in place	Brent Housing Partnership

<b>Action</b>	<b>Lead Officer</b>	<b>Target completion date</b>	<b>Resources</b>	<b>Performance indicators/expected outcome</b>	<b>Partners</b>
Introduce the demotion of tenancies for antisocial behaviour	Will Manning	April 2008	£2,500	Staff trained in and using demotion procedure	
Review all services provided to Housing and its tenants by other parts of the Council	Lorraine Dallas/Will Manning	April 2009	Existing	Programme of reviews in place; performance targets for resident satisfaction reached (see Appendix 2a)	
Complete review of the caretaking service	Will Manning	December 2007	£5,000	Decision taken on future direction of service	
Complete and evaluate (with residents) pilot of cleaning service for internal areas	Will Manning	December 2007	£4,700	Decision on whether to roll-out cleaning service taken	
Develop and publicise programme of Estate Action Days	Carol Yarde	August 2007	£1,500	Programme of Estate Action Days in place	
Complete Options Appraisal for Mill Farm Estate	Lorraine Dallas	September 2007	Capital	Decision on future of Mill Farm taken	External consultants
Complete Options Appraisal for Grange Farm Estate	Lorraine Dallas	August 2008	Capital	Decision on future of Grange Farm taken	External consultants
Roll out recycling facilities for flats on estates	Will Manning	TBA (awaiting info from refuse services)	GF within existing resources	Recycling in Council flats increased by x%	Waste Management
Deliver works programme incl. Decent Homes, environmental improvements, external/internal communal decorations	Steve Parker/ Will Manning/George Ogunsiji	All programs delivered annually 31/3/07	Kier Partnership/Housing/Property Services	All Council stock at Decent Homes Standard by 2010	Property Services Kier
Establish rolling programme of property surveys	Lorraine Dallas	April 2008	£50,000 annual budget	Programme of property surveys in place	Kier

<b>Action</b>	<b>Lead Officer</b>	<b>Target completion date</b>	<b>Resources</b>	<b>Performance indicators/expected outcome</b>	<b>Partners</b>
Mobilise improved repairs service and transfer without disruption to tenants	Will Manning	October 2007	Within existing resources	Resident satisfaction with repairs service increased by x%	Property Services Kier
Carry out a leaseholder satisfaction survey	Will Manning	June 2008	£5,000	Leaseholder satisfaction with services increased by x%	Leaseholder Support Group
Explore potential for repairs service to be made available to leaseholders	Will Manning	April 2008	Within Existing resources	Feasibility report discussed with leaseholders	Kier, Leaseholder Support Group
Help leaseholders to access debt counselling	Will Manning	March 2008	Within Existing Resources	Debt counselling referral service in place; recovery of service charges increased by x%	Leaseholder Support Group
Introduce quarterly newsletter for leaseholders	Will Manning	September 2007	£2,000	Newsletter in place	Leaseholder Support Group
Introduce a Plain English lease	Will Manning	March 2008	£5,500	Lease in use	Leaseholder Support Group, Legal
Consult residents on standards for all services/publish to all residents	Will Manning	July 2008	£3,700	Service standards published to all residents	
Review all standard letters to make sure that are understandable	Will Manning	December 2008	Existing	Resident satisfaction with written communication increased	
Train residents to undertake "mystery shopping"	Will Manning	February 2008	£1,500	X residents trained	
Achieve Investors in People accreditation	W Manning	December 2009	Within Existing	Accreditation	
Improve arrears collection	Will Manning	Quarterly & Annual targets met	Existing	Performance targets reached (see Appendix 2f)	

<b>Action</b>	<b>Lead Officer</b>	<b>Target completion date</b>	<b>Resources</b>	<b>Performance indicators/expected outcome</b>	<b>Partners</b>
Develop customer care training programme	Will Manning	November 2007	£3,000	Training programme in place; targets for resident satisfaction reached (see Appendix 2a)	
Explore a "Reward" scheme to encourage tenants to pay rent on time	Will Manning	March 2007	£500	Decision taken on whether to introduce Reward scheme	
Complete corporate review of use of/charges for community facilities	Will Manning	December 2007	Existing	Review completed; decision on future policy	
Improve internal office systems	Lorraine Dallas	April 2009	£55,000	Filing and telephone systems modernised	Capita
Achieve turnaround targets for empty properties	Dianne Cranmer	Ongoing	Existing	Performance targets reached (see Appendix 2h)	
Release under occupied Council homes	Dianne Cranmer	April 2008 annually thereafter	Existing	21 homes released	
Complete review of land on Council estates and garage sites for new housing provision	Lorraine Dallas	Autumn 2008	Existing	Decisions taken on potential sites	Planning
Complete F.I.R.S.T. Call work including exploration of Right to Manage	Carol Yarde	January 2008	£68,000	Decision taken on Right to Manage, and formal tenant consultation structure	HFTRA, F.I.R.S.T. Call
Develop future strategy for resident involvement	Will Manning	April 2008	£23,000	Strategy developed; targets for satisfaction with opportunities to participate reached (see Appendix 2i)	



<b>Action</b>	<b>Lead Officer</b>	<b>Target completion date</b>	<b>Resources</b>	<b>Performance indicators/expected outcome</b>	<b>Partners</b>
Review need and funding available for programme of internal decorations for vulnerable, elderly and disabled people	WManning	January 2008	Existing Resources	Decision taken on whether this can be funded	

## APPENDIX 2a

## PERFORMANCE – RESIDENT SATISFACTION

PI ref no	PI definition	Harrow 2005 Actual & CPA threshold (upper, lower or middle)	Harrow 2006 Actual & CPA threshold (upper, lower or middle)	Harrow 2007 Actual & CPA threshold (upper, lower or middle)	2007/08	2008/09	2009/10
BV74a H12	Tenant satisfaction with overall service from landlord - all tenants - <b>adjusted for deprivation</b>	<b>79% (2003-04) middle</b>	<b>70% lower (survey 06-07)</b>	<b>70% to be adjusted lower</b>	74%	80%	85%

## APPENDIX 2b

## PERFORMANCE - DECENT HOMES

	PI ref no	PI definition	Harrow 2005 Actual & CPA threshold (upper, lower or middle)	Harrow 2006 Actual & CPA threshold (upper, lower or middle)	Harrow 2007 Actual & CPA threshold (upper, lower or middle)	2007/08	2008/09	2009/10
<b>Meeting the Decent Home Standards</b>	BV184a H1	Proportion of LA homes which were non-decent at the start of the year	<b>51% middle</b>	<b>48% middle</b>	<b>55% lower</b>	<b>72%</b>	44%	25%
	BV184b H2	Percentage change in the proportion of non decent homes at the end of the year	<b>14% middle</b>	<b>8.5% middle</b>	<b>6.3% middle</b>	<b>38%</b>	47%	82%
	BV63 H11	Energy Efficiency - average SAP rating	<b>63 middle</b>	<b>64 middle</b>	<b>64 lower</b>	65	66	67

## APPENDIX 2c

## PERFORMANCE – REPAIRS

	PI ref no	PI definition	Harrow 2005 Actual & CPA threshold (upper, lower or middle)	Harrow 2006 Actual & CPA threshold (upper, lower or middle)	Harrow 2007 Actual & CPA threshold (upper, lower or middle)	Target 2007/08 <sup>1</sup>	Target 2008/09	Target 2009/10
<b>Repairs and Maintenance</b>	HIP return - ex BV72 H4	% urgent repairs to council housing completed within government time limits	<b>93.3% middle</b>	<b>96.4% middle</b>	<b>93% middle</b>	98%	100%	100%
	HIP return - ex BV73 H5	Average time to complete non-urgent repairs to council housing (days)	<b>24 lower</b>	<b>21.04 middle</b>	<b>16.3 middle</b>	12	10	9
	HIP return H21 new in 2006	% of planned to responsive repairs funded from revenue	<b>14% (n/a)</b>	<b>16% lower</b>	deleted by AC due to difficulties with interpretation	35%	55%	60%

<sup>1</sup> Targets set with Kier Construction

## APPENDIX 2d

## REPAIRS SERVICE COMPARISON BASED ON ANALYSIS OF BUSINESS PLAN STATISTICAL APPENDICES 2005/06

Authority	Audit Commission inspection results	Satisfaction with repair & maintenance service (%)	% of works responsive	% of works planned	% emergency or urgent	% non-urgent	Average wkly cost of maintenance per unit	% urgent repairs within Govt time limits	Av. time to complete non urgent repairs (days)
Harrow	2004 Housing Services good/promising	72 <sup>2</sup>	84	16	74	26	24.40	96	21
Redbridge	2006 R&M and Housing fair/promising	59	59	41	84	16	25.51	81	17
Barnet	ALMO 2005 good / excellent	74	74	26	29	71	15.01	98	8
Enfield	2005 R&M fair / excellent	65	70	30	43	57	21.21	94	11
Merton	2002 R&M fair / excellent								
Merton	2003 Hsg Mgt fair / promising	70.24	62	38	28	72	15.10	83	11
Sutton	2003 Hsg Mgt good/uncertain	67.7	68	32	26	74	13.53	93	18
Croydon	2002 Repairs good/excellent	76	94	6	32	68	17.33	96	11
Havering	2005 Hsg Mgt fair / promising	69	43	57	26	74	15.15	85	16
Kingston Upon Thames	2002 R&M fair / promising	n/a	61	39	18	82	15.84	87	7

<sup>2</sup> Harrow figure taken from STATUS survey 2007 – most recent earlier figure available is 2003/04 (76%)

**APPENDIX 2e****PERFORMANCE - GAS SERVICING (COMPARISON BASED ON ANALYSIS OF BUSINESS PLAN STATISTICAL APPENDICES 2005/06)**

<b>Authority</b>	<b>Proportion of Gas Servicing certificates outstanding after 12 months at 1/4/06 (%)</b>
Harrow	2.97
Redbridge	0.02
Barnet	0.12
Enfield	0.74
Merton	1.24
Sutton	0.97
Croydon	12
Havering	5
Kingston Upon Thames	3
<b>Average</b>	<b>3</b>

## APPENDIX 2f

## ARREARS PERFORMANCE AND TARGETS

PI ref no	PI definition	Harrow 2005 Actual & CPA threshold (upper, lower or middle)	Harrow 2006 Actual & CPA threshold (upper, lower or middle)	Harrow 2007 Actual & CPA threshold (upper, lower or middle)	2007/08	2008/09	2009/10
BV66a H6	LA rent collection and arrears: proportion of rent collected	<b>98.05% middle</b>	<b>97.95% middle</b>	<b>96.62% middle</b>	98.20%	98.50%	99%
BV66b	No of tenants with more than 7 weeks rent arrears (as a % of total no of tenants)		<b>15.56</b>	<b>7.39% Middle</b>	6	5.5	5.5
BV 66c	Tenants in arrears with Notices of Seeking Possession		<b>26.66</b>	<b>23.93 middle</b>	21.93	19.33	17.06
BV 66d	% of tenants evicted as a result of rent arrears		<b>0.14 lower</b>	<b>0.04 lower</b>	0.18 <sup>3</sup>	0.18	0.18

<sup>3</sup> We expect to evict 9 tenants for arrears in each year, and this equates to the "target" figures for this indicator

## APPENDIX 2g

## WEEKLY MANAGEMENT COSTS – FROM BUSINESS PLAN STATISTICAL APPENDICES (BPSA) BENCHMARKING

PI ref no	PI definition	Harrow 2005 Actual & CPA threshold (upper, lower or middle)	Harrow 2006 Actual & CPA threshold (upper, lower or middle)	Harrow 2007 Actual & CPA threshold (upper, lower or middle)
BPSA Section E1 (ex- BV65a) H9	Average weekly management - <b>cost adjusted for area cost variation</b>	<b>£22.54 lower</b>	<b>£23.83 (adjusted to 20.53) lower</b>	<b>£18.95 (to be cost adjusted)</b>



**APPENDIX 2h****PERFORMANCE – EMPTY PROPERTIES**

<b>Authority</b>	<b>Average relet times (days)</b>
Harrow	42
Redbridge	34
Barnet	27
Enfield	26
Merton	34
Sutton	34
Croydon	36
Havering	45
Kingston Upon Thames	27
<b>Average</b>	<b>34</b>

## APPENDIX 2i

## TENANT SATISFACTION WITH OPPORTUNITIES TO PARTICIPATE

PI ref no	PI definition	Harrow 2005 Actual & CPA threshold (upper, lower or middle)	Harrow 2006 Actual & CPA threshold (upper, lower or middle)	Harrow 2007 Actual & CPA threshold (upper, lower or middle)	2007/08	2008/09	2009/10
BV75a H13	Tenant satisfaction with opportunities for participation in management - all tenants - <b>adjusted for deprivation</b>	<b>57% (2003-04) lower</b>	<b>54% lower (survey 06-07)</b>	<b>54% (not yet adjusted) lower</b>	60%	63%	69%

**APPENDIX 3****AUDIT COMMISSION INSPECTION REPORT 2004 – ACTION TAKEN**

<b>Inspection Report Recommendation</b>	<b>Comments</b>
The council needs to promptly introduce procedures to carry out tenancy checks in order to ensure the best use of its limited stock, by April 2004.	Programme of tenancy checks now in place
The BME strategy should be completed by July 2004 and implemented effectively	Completed
The tenant participation compact (TPC) should be reviewed in consultation with stakeholders by October 2004	Completed
The council needs to develop a structured plan, with realistic timescales, to increase levels of participation	See section on Empowering Residents – covered in F.I.R.S.T. Call brief
The council needs to ensure all PI targets are set for top quartile performance	PI targets set for top quartile performance
Leasehold management needs to be reviewed and a speedier timescale is required for dealing with leaseholders' complaints and queries	Leasehold manager appointed and Action Plan being implemented
Leaseholders need to receive accurate and timely bills with consideration given to separating out when estimated and actual bills are sent out	In progress - see section on Smarter Use of Resources
Leaseholders should have access to welfare and debt counselling advice	Planned - see section on Smarter Use of Resources

<b>Inspection Report Recommendation</b>	<b>Comments</b>
The decoration voucher scheme should be introduced by April 2004	Not implemented
Emergency contact numbers should be clarified and re-publicised by April 2004 to ensure that residents and service users are not disadvantaged	Completed
The council needs to review how residents can contact landlord services via the telephone to diminish the view that senior managers and staff cannot be easily contacted	See section on Quality Homes and Services - improving customer access to services is high priority
The council should continue to evaluate the measures put in place for monitoring former tenants' arrears to ensure the debt is managed efficiently.	Review undertaken – see section on Smarter Use of Resources services
The role of caretaking and other environmental services should be fully explained to tenants. In particular, how residents can contact and complain about the service	Review of caretaking being undertaken – see section on Strong Communities
A long term improvement plan should be developed for the caretaking service in consultation with departments and stakeholders that impact on the service	Review of caretaking being undertaken – see section on Strong Communities
The council should continue to drive through the plans for successful use of the housing HRA community halls.	Review of community hall use underway
The council needs to build on the current bench marking exercise to ensure effective cost comparison and value for money.	Benchmarking output being used to achieve value for money – examples throughout Business Plan
Actions should be put in place to improve the ownership of the proposed organisational changes among staff, residents and other stakeholders.	ALMO not set up so this recommendation was not pursued then. However, current proposed reorganisation is subject of major consultation with staff at present

<b>Inspection Report Recommendation</b>	<b>Comments</b>
The council should review the current recruitment procedures to address the concerns of some staff about promotion into senior management positions.	This is believed to refer to under-representation of BME staff in senior managerial positions. A corporate target has been set for increasing the proportion of BME senior managers
The council needs to ensure that the proposed ALMO has detailed, costed and measurable service level agreement in place for all services which the council provides to it.	ALMO not set up so this recommendation was not pursued. However, we plan to develop existing SLAs with other teams within the Council – see section on Smarter Use of Resources
The council needs to ensure that the proposed ALMO has sound performance management systems in place to manage all the arrangements between the ALMO and the council.	ALMO not set up so this recommendation was not pursued

## APPENDIX 4 – DETAILED HRA MODEL ASSUMPTIONS

### 1. Overarching Assumptions

- 1.1 The key assumption, which underpins the entire Business Plan is that, the current system of HRA finance, including the HRA Subsidy System, will continue in its current form, with the exception of the Rental Constraint Allowance, discussed below. In practice, experience dictates that the system changes, at least to some extent, quite frequently. However, whilst sensitivity testing can be carried out on aspects of this assumption (for example different levels of subsidy allowance), it is not practical to construct a potential alternative system to test.

### 2. Base Year

- 2.1 The base year for the model is 2007/8. A reconciliation to the HRA budget for the year has been completed and minor differences accepted.

### 3. Stock Categories

- 3.1 The model has been completed on the basis of the following stock Categories:

- Core Stock
- Mill Farm Estate (Including Miller Close and 42 Rickmansworth Rd)
- Sheltered Housing Stock Subject to Review
- Grange Farm Estate

- 3.2 The three non-core categories are for groups of stock, which are the subject of current or planned option appraisals, and allow for the removal of stock to be modelled for sensitivity analysis. However, this does not pre-empt any decision making on this subject

### 4. Inflation

4.1 The general level of inflation (to which is added any real increase or decrease in specific items of income or expenditure) has been assumed at 3% throughout the planning period. This is comparable to the Council's general Medium Term Financial Planning assumptions for the General Fund, although for those purposes, pay is considered separately from other elements of cost.

**5. Discount Rate and Return on Capital Employed**

5.1 The discount rate, and the return on capital employed, have both been set at 3.5%, in line with current Treasury guidelines, although this is not relevant to the cash flow, operating account and capital financing statements which are the key outputs of the model.

**6. Interest Rates**

6.1 The Consolidated Rate of Interest (the interest rate charged on the HRA's debt) has been set as 5% in 2007/08 throughout. The Council has a strategic aim of restructuring debt where appropriate to achieve a target rate of 4.5%, but it is not possible to state when this could be achieved. The assumption has therefore been made that it will remain at 5% throughout, which is prudent, given that there is a net cost to the HRA (after subsidy) from year 3 onwards.

6.2 Interest on balances has been set at 4.39% throughout.

**7. Stock and Rents**

7.1 The April 2007 stock has been entered as follows, with no shared ownership dwellings:

	Tenanted	Leasehold
Core	4,666	1,061
Mill Farm Close	103	44
Sheltered	75	
Grange Farm	234	22
Total	<u>5,078</u>	<u>1,105</u>

7.2 Average rents for each category on a 52 week basis have been entered as follows:

Core	78.21
------	-------

Mill Farm Close	71.68
Sheltered	62.13
Grange Farm	<u>64.85</u>
Overall Average	<u><u>77.22</u></u>

- 7.3 Average Formula (“Target”) rent has been entered as £85.47 on a 52 week basis (in line with Annex D of the 2007/8 HRA Subsidy Determination). However, the detailed modelling we have undertaken on the opening stock for 2007/08 suggests that the determination formula rent (which is based on older information) is incorrect, and we have set the real increase in 2008/09 to 0.38%, in order to agree to our rent model. Thereafter it has been assumed that the formula rent will increase by 0.5% pa throughout.
- 7.4 A Rental Constraint Allowance of £687,002 in 2007/8 has been calculated, and entered in the place within the model originally provided for the admissible allowance.
- 7.5 Rent increases have been set on the basis of our detailed rent model, which runs to year 11. We have assumed the final gap between actual and formula rent will be closed in the years 11-15, and rents will continue to increase at 0.5% above inflation, in line with the formula rent, thereafter.
- 7.6 The assumptions used in our modelling are based on the CLG’s advice to those authorities assisting with “Financial Freedoms” modelling; that is, that the 5% overall cap on rent increases will not apply after 2007/08, and that the Rental Constraint Allowance will be discontinued, to be replaced by the “Caps and Limits” adjustment which preceded it. We have entered calculated adjusted guideline and limit rents into table 4 of the Business Plan model.
- 7.7 The actual rent does not exceed the limit rent for the purposes of Rent Rebate Limitation, so that there is no cost of rent rebates throughout.
- 7.8 Void loss is set at 1% for all stock throughout. Bad debt is set at 0.49% for all stock for 2007/08, and 1% thereafter. The lower rate of provision in 2007/08 reflects the current healthy provision. These both represent good performance, and the Council will need to monitor this to ensure that it continues.

## **8. Service Charges**



8.1 The Council unpooled service charges equivalent to £3.99 per tenant, per week, with effect from 1 April 2007. It is assumed that these will increase at 0.5% in real terms, in line with Government expectations.

**9. Other Income**

9.1 The following items of income are included, and assumed to continue with 0.5% pa real increases:

	£
Non Dwelling Rents (Garages and Shops)	911,868
Facility Charges (Heating and Hot Water)	335,849
Recharge to General Fund (Community Amenities)	<u>83,000</u>
	<u><u>1,330,717</u></u>

9.2 In addition "Other Income" consisting of minor items of income, is included at £7,820, and assumed to increase with inflation.

9.3 Mortgage interest of £17,000 is included, and is assumed to be cash frozen, in line with the assumption within the subsidy calculation.

**10. Right to Buy Sales**

10.1 Sales are assumed at 15 in 2007/8 falling by 1 each year, to 6 by 2016/17, and nil thereafter. All sales are assumed to be of core stock, and to be freehold. The average market value is assumed as £199,566, and this is assumed to increase by inflation only. The maximum discount of £16,000 is assumed to apply to every sale, and this is cash frozen.

10.2 Administration costs are £1,510 per sale, increasing with inflation. The first £500,000 of the available receipts, after administration costs and the share paid to Government under the "pooling" arrangements, are assumed to be available to finance HRA expenditure. From 2013/14 onwards, total available receipts are less than £500,000, and 100% of receipts are assumed instead.

**11. Other Stock Changes**

11.1 No other stock changes are assumed in the base model

## 12. HRA Subsidy

12.1 Management and Maintenance allowances have been entered at the levels set out in the 2007/8 HRA Subsidy Determination. The two allowances combined are above the “target” allowances (Maintenance being below target, but management above, by a larger amount). We have assumed that real increases up to and including 2011/12 will be 1% as in 2007/8. We have also assumed that the method of moving to target will be the same in 2008/9 – 2011/12 as in 2007/8. Finally, we have assumed that the move to target will take 9 further years. This is a more prudent assumption than the 4 years being used for modelling “Financial Freedoms”. The resulting real changes are as follows:

		Repairs and Maintenance	Supervision and Management
2	2008.09	1.18%	-2.04%
3	2009.10	1.19%	-0.41%
4	2010.11	1.19%	1.05%
5	2011.12	1.19%	1.05%
6	2012.13	0.18%	0.05%
7	2013.14	0.19%	0.05%
8	2014.15	0.19%	0.05%
9	2015.16	0.19%	0.05%
10	2016.17	0.18%	0.05%

12.2 We have assumed inflationary increases to targets from 2012/13 onwards, and hence for actual allowances from 2017/18 onwards.

12.3 The Major Repairs Allowance (MRA) has been included at £706.84 per dwelling pa as per the 2007/8 HRA Subsidy Determination. We have assumed no real increases, nor any changes in geographical factors. The sensitivity analysis which assumes dwellings being removed from the HRA considers the impact on MRA of their removal, since many of the dwellings will be those, which attract higher rates of MRA.

12.4 Harrow has no Other Reckonable Expenditure.

- 12.5 Interest on receipts (mortgage interest) has been set at the 2007/8 level of £16,536, cash frozen. As referred to above, a similar assumption has been on the actual income. Although there is a difference between these two values, this has been ignored as de minimis.
- 12.6 Debt Management Expenses for subsidy have been set at the 2007/8 HRA Subsidy Determination level of £53,436, with future years' allowances based on a fixed allowance of £35,646, and a variable allowance of £430 per £1m of Subsidy Capital Financing Requirement (CFR). Actual Debt Management Expenses have been entered as £35,000, in line with the Council's actual cost recharged to the HRA.
- 12.7 A debt redemption premium of £529,336 is included in 2007/08. This premium is charged to the HRA, and allowed for in HRA Subsidy. We have ignored it for future years, as it has a net nil impact on the HRA.
- 12.8 The Council received Supported Capital Expenditure in 2007/8 of £2,725,000, and this is reflected in the model. It has been assumed this will remain at this level until 2010/11, and will be nil thereafter. It is assumed that the HRA will borrow against 100% of these allocations.
- 12.9 Capital subsidy has been calculated in accordance with the 2007/8 HRA Subsidy Determination and an opening Subsidy Capital Financing Requirement of £40,094,480.
- 12.10 The actual ("Item 8") charge for debt has been based on an opening 2007/78 Financing Requirement of £31,201,227.

### **13. Management and Service Expenditure**

- 13.1 The model is based on the 2007/8 Management and Services budget of £6,153,111. The Council is planning some improvements in services to tenants, but is assumed that these can either be paid for within this existing budget, or covered by service charges for entirely new services (which do not form part of the calculations for Rent Restructuring purposes).
- 13.2 Costs are assumed to be wholly fixed; with no reduction for right to buy sales or possible disposals considered in the sensitivity analysis. The Council will seek to make savings as far as possible following disposals, but it is not considered prudent to make any assumption that this can be achieved at this stage.

1. Real increases of 0.5% pa throughout the thirty years are assumed.

**14. Other Expenditure**

- 14.1 No other expenditure is assumed.

**15. Rent Rebates**

- 15.1 There is no cost of rent rebates, as the actual rent is lower than the limit rent throughout.

**16. Maintenance and Investment Expenditure**

- 16.1 Responsive and Cyclical Repairs have been set to reflect the 2007/8 budget, of £4,668,490. This converts to a unit cost of £921 per dwelling. The new repairs contract being implemented during 2007/08 is assumed to provide a saving of £500,000 with effect from 2008/09, reflecting the cost of unused capacity in the current in-house arrangements. It is hoped that further savings can be achieved, but a prudent assumption has been made. The assumed saving reduces the unit cost to £824.
- 16.2 Real increases in responsive and cyclical repairs of 0.5% pa are assumed throughout.
- 16.3 Planned maintenance costs are based on the Council's Stock Condition information, which was created in house, using surveys provided by an external provider. This has been adapted for the recommendations of an external review of the data, and subsequently, for known variations in the costs for specific schedule items.
- 16.4 Years 2007/08 – 2009/10 are fixed as per the Capital Budget. The remaining years have been converted to a unit cost and included in the model, on the basis of costs being 100% variable with stock numbers. If it were the case that the dwellings sold had a significantly lower than average need for expenditure, the savings implied by this assumption may prove difficult to achieve.
- 16.5 All of the stock survey and non stock survey capital items are assumed to increase in real terms by 0.5% pa after 2009/10

**17. Other Capital Finance**

17.1 The planned funding of the 2007/08 to 2009/10 capital programmes are reflected in the model, as follows:

- The first £500,000 of Useable Right to Buy Capital Receipts;
- The Major Repairs Allowance;
- Borrowing against Supported Capital Expenditure;
- Revenue Contributions to Capital, and;
- “Prudential” (Unsupported) Borrowing.

17.2 The final item totals £10.668m over the three years, and has an ongoing impact on the Operating Account in future years.

17.3 Part of the decision to be made by the Council’s Chief Financial Officer around Prudential Borrowing, is what level of repayments should be made. The conclusion on HRA debt at most Councils has been that, to the extent that debt is to be covered by the Subsidy system, provision for its repayment is not necessary. However, the Council’s prudential borrowing will bring the outstanding debt to approximately £1.75m above the Subsidy level by the end of year 5. We have therefore allowed for this sum to be repaid in equal instalments from year 5 to year 30, so that at the end of the modelling period, actual debt is equal to subsidy debt.

17.4 For years 2010/11 onwards, capital is assumed to be funded by

- The first £500,000 of Useable Right to Buy Capital Receipts (from 2013/14, 100% as this is less than £500,000);
- The Major Repairs Allowance;
- Borrowing against Supported Capital Expenditure (in 2010/11 as this is the last year it is assumed), and;
- Revenue Contributions to Capital.

17.5 This leaves shortfalls in years 2017/18 onwards.

**18. Balances**

- 18.1 A brought forward revenue balance of £5.729m has been entered. The minimum revenue balance is set at £750,000, increasing annually with inflation.

## APPENDIX 5

## SENSITIVITY ANALYSIS

	Operating Account					Capital Financing			
	Balance Carried Forward			Yr below min balance	Yr in deficit	Cumulative shortfall			Yr of first shortfall
	Year 10 £000	Year 20 £000	Year 30 £000			Year 10 £000	Year 20 £000	Year 30 £000	
<b>Base Model</b>	<b>1,671</b>	<b>1,249</b>	<b>1,517</b>	<b>30</b>	<b>N/A</b>	<b>0</b>	<b>(11,066)</b>	<b>(40,474)</b>	<b>11</b>
A Management & Service Costs; Real Increases 1% pa	980	(58)	(19,227)	17	20	(1,242)	(19,329)	(51,647)	10
B All Repair & Maintenance Real Increases 1% pa	977	1,249	978	28	N/A	(1,329)	(16,223)	(49,550)	9
C Interest Payable 4.5% with effect from 2010.11	1,737	1,249	1,517	30	N/A	0	(10,947)	(40,337)	11
D HRA Subsidy; more optimistic view of M&M* Allowances	2,065	1,249	1,517	30	N/A	0	(10,651)	(40,059)	12
E Mill Farm removed from stock in 2009.10	991	1,249	784	28	N/A	(518)	(13,746)	(44,306)	10
F Some Sheltered Dwellings removed from stock in 2009.10	1,002	1,249	1,019	28	N/A	(34)	(12,898)	(43,278)	10
G Grange Farm Removed from stock in	977	1,249	(1,519)	24	28	(1,395)	(16,745)	(47,853)	9

2010.11

H E-G Combined	976	1,092	(5,399)	20	24	(3,055)	(20,115)	(50,515)	8
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\*Management and Maintenance Allowances



## **APPENDIX 6**

### The Harrow Integrated Property Services Partnership Project (HIPSP)

Until now, repairs and maintenance to Council buildings have been delivered via contracts with many different suppliers. This made the service seem at times poorly co-ordinated, and the Council felt it was not achieving best value for money. After a complex procurement exercise, the Council awarded a new £125m. contract to Kier Construction, who will be responsible for the repair and maintenance of all Council housing, as well as schools and other local authority owned buildings. The contracts - a 5-year minor works contract extendable at the Council's option to 10, and a 4-year major works contract will begin on 1 July 2007. The contract will deliver a more effective service and:

- save the authority an estimated £1.5m a year in building and maintenance costs
- encourage greater focus on customers that can be sustained and not repeatedly lost, through the unnecessary break up of successful single project teams
- reduce the level and number of staff interfaces/overlaps with contractors
- reduce the risks that can arise from the constant introduction of new contractors

Key areas of improvement are set out in the relevant sections of the Plan where they are specific to a particular part of the repairs and maintenance service. However, general improvements are expected to include:

- The development and retention of skilled and experienced teams, able to deliver innovation, construction excellence and continuous improvement
- Smarter use of resources, generating significant efficiency savings
- A move away from costly and resource-intensive adversarial contracts
- The reduction of overlap between organisations addressing the same challenges
- Re-structuring the supply chain and reducing complexity
- Moving towards output- and outcome-based specifications to allow greater innovation in both design and construction.

Kier's profit levels will already be known via the competitive tendering process and built into prices. The Council will be provided with a full project cost build-up, having jointly agreed with Kier a budget and work scope. The "Agreed Maximum Price" for the project will be jointly compiled with all labour, material and sub-contractor prices declared. These are likely – because they are jointly developed – to be a far more accurate assessment of final cost than often unrealistic tender prices. The Council will retain the right to undertake independent benchmarking

and cost appraisals, to ensure that value for money continues to be delivered. The Council will require optimum value to be demonstrated continuously throughout the life of the agreement. Targets have been set to achieve top quartile performance.

Cost savings will arise from reductions in the use of agency staff and duplication between Council officers and contractor staff.

Kier have undertaken to:

- provide all subcontractors with uniforms and ways to 'livery' their vehicles so that they are clearly identified as Kier representatives
- introduce new technology to make the contract more efficient, including Personal Digital Assistants (PDAs) for all appropriate operatives and supervisors

## APPENDIX 7

### LEASEHOLDER SURVEY 2005 – SUMMARY OF RESULTS

- Almost as many respondents were fairly or very dissatisfied (39%) as were fairly or very satisfied (42%) with the overall service provided to them
- 19% of leaseholders who responded were very dissatisfied with the service they received from the Leasehold Services Team, and 13% were fairly dissatisfied
- Over 40% of respondents thought that the Team did not provide enough information about service charges and leasehold management; over 30% found these bills hard to understand and 57% felt they were not accurate and reliable
- Nearly half the respondents said that they did not receive all the services included in their actual service charge
- Half the leaseholders who responded thought that repairs to the building they live in were fairly or very poor value for money
- More than half the leaseholders who responded thought caretaking is fairly or very poor value for money
- Half the leaseholders who responded thought that the administration and management charge is fairly or very poor value for money
- 45% of the leaseholders who responded thought grounds maintenance is fairly or very poor value for money.
- Major works bills were a problem for many respondents: 25% thought they were hard to understand; nearly 30% had disputed the calculation of the bill; 27% had disputed the standard of the works; and 40% thought the overall standard of billing information was unsatisfactory
- More than half were not happy with the information they receive about planned major works
- Leaseholders were not clear about who they should contact if they had a problem with the service they receive
- Many respondents did not think the services provided were value for money