

## Appendix D

### Housing Option Appraisal Action Plan South Cambridge District Council

May 2005

Criteria	Evidence checklist	Progress to date
<p>1. <b>Tenant and leaseholder involvement</b> from the outset of the option appraisal process and consultation with all tenants throughout.</p>	<p>(a) Tenant empowerment strategy agreed with tenant representatives and CHTF</p>	<p>Tenant training commenced in January 2004 for the OA process including Decent Homes, housing finance and interview skills.</p> <p>The ITA, PS Consultants was appointed on 1<sup>st</sup> April 2004 following a successful interview with the tenant representatives from HOWG. The Tenant Empowerment strategy has been drafted with tenants involved in the process supported by the ITA.</p> <p>CHTF approved the Strategy on 23<sup>rd</sup> July 2004. The document is subject to ongoing development throughout the Option Appraisal Process as appropriate.</p>
	<p>(b) TP structure and level of representation at beginning and end of process (including BME groups and disadvantaged and other hard to reach groups)</p>	<p>The Council has a long running TP Group that includes tenants and residents.</p> <p>A further 10 local tenants and residents groups operate throughout the District. The composition of the groups represents the mixed nature of the tenure of properties within the villages.</p> <p>6 representatives from the Tenants Participation Group were identified to form the Options Appraisal Tenants Group and to be members of the Housing Option Appraisal Working Group (HOWG). One of the tenants was elected to be a local Member in May 2004 and therefore now attends the HOWG as a Councillor rather than a tenant. These individuals have played a prominent role in the OA process to date.</p> <p>The first phase of consultation for the OA generated contact information for tenants interested in greater involvement in the process. They were involved in a series of focus groups and included a group consisting solely of equity sharers.</p> <p>During the second phase of consultation, which includes coffee mornings, 'drop-in' sessions, door knocking and evening meetings the tenant representatives on the Housing Options Appraisal Working Group have been playing a key part throughout the two weeks. They are represented at the evening meetings and have been out door knocking with other council officers.</p> <p>Those who wish to will be encouraged to become involved in the local residents groups when the OA process is complete.</p>

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	(c) Input from tenants and authority's response	<p>5 Members of the TPG have been identified to represent tenants on the HOWG.</p> <p>Tenants were instrumental in the drafting of the Tenant Empowerment Strategy, and the Communications and Consultation Strategy.</p>
	(d) Training and development – identifying gaps and provision	<p>Training of tenants was completed on housing finance, decent homes, options appraisal and recruitment interviewing.</p> <p>Training will continue as part of the work of the ITA. Members of the HOWG have attended briefings on housing finance, decent homes, the Councils own standard for its homes and housing options. They have also visited 2 other LSVT organisations and met tenants, Officers and board members.</p>
	(e) Analysis of the quality of the tenant involvement criteria against Compact criteria e.g. Timeliness, accessibility, clarity etc.	<p>As part of the OA process the Tenants Compact is being revisited and revised.</p> <p>A workshop was held in January 05 with the tenant representatives, other tenants from local residents groups and council officers to review the tenant's compact and set targets for the forthcoming year. A further workshop with the above representatives and local councillors is planned for May/June 05. The compact will be re-launched in the Autumn to coincide with budget planning for 2006/07.</p>
	(f) Arrangements for leaseholder consultation	<p>During the first phase of consultation a series of focus groups were held, run by the ITA with the support of the Tenant Participation Officer. One of the groups comprised solely of equity share leaseholders and raised a number of issues and concerns that were specific to that form of tenure.</p> <p>Equity sharers and leaseholders were included in the recent test of opinion during the second phase of consultation. A briefing paper will be produced for equity sharers in the summer 2005 to cover the issues they raised during the consultation sessions.</p>
<p><b>2.Consultation</b></p> <p>A communication strategy covering all stakeholders should be agreed with CHTF at the beginning of the</p>	(a) Communications strategy covering quality and use of different methods of information giving needs to be agreed with stakeholders and CHTF	<p>The communications and consultation strategy was drafted with the involvement of tenants.</p> <p>CHTF approved the Strategy on 23<sup>rd</sup> July 2004. The document is subject to ongoing development throughout the Option Appraisal Process as appropriate.</p>

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process.	(b) Level of member/staff engagement and involvement	<p>Staff and Members are aware of the requirement for an Option Appraisal and the timetable.</p> <p>A stakeholder workshop event was held in January 2004 in association with the Housing Strategy and the Business Plan to seek views on the consultation process for the documents, and to give information on the housing strategy, decent homes, and the options appraisal.</p> <p>A report was presented to the Housing Portfolio Holder in May 2004 to outline the progress with the Options Appraisal project and to outline the timetable and organisations structure for the process. Members have continued to be regularly briefed. Reports have been presented at Cabinet meetings, Scrutiny and Full Council throughout the process. The Housing and Environmental Services Director has also held discussion sessions with the political groups at the Council.</p> <p>Housing staff have been briefed at their team meetings throughout the process. A council wide staff forum was set up in September 04 to enable other council officers to have an input to the process.</p>
	(c) Method for briefing all staff throughout the process and assessing the level of understanding	<p>Initial briefings have been given for staff on the decent homes requirements and on the options appraisal process. At the end of March 05 presentations on the financial position was given to all housing staff and the staff forum, with an opportunity for staff to ask questions.</p> <p>A staff forum was established in September 2004 including officers from housing, finance, planning and policy. They have met five times throughout the process and received presentations on the housing options, decent homes, and financial position. Staff took the opportunity to visit an LSVT housing association with members of the HOWG. There have also been Council wide Departmental and Shire Homes Staff Briefings.</p> <p>Three lunch time seminars have also taken place throughout the options appraisal.</p>

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	(d) Approach to identification of other stakeholders	<p>The Council appointed – HACAS Chapman Hendy, now Tribal HCH as lead consultants.</p> <p>A stakeholder analysis forms part of the Communications Strategy.</p> <p>Local housing associations have been informed of the Councils progress through the HA forum and the Housing Corporation have also been appraised of the Councils progress with the OA process.</p> <p>Information about the consultation events are posted on the Councillors bulletin, which is also sent out to all parish councils.</p> <p>Briefings have also been given to the Local Strategic Partnership.</p>
	(e) Level of understanding amongst stakeholders of financial situation (especially where consultants used)	<p>The Councils HRA Business Plan has been signed off by the Government Office and endorsed by Full Council. It has been published and is available on the Councils web site and on the Intranet.</p> <p>The Business Plan along with the base position identified by the Lead Consultant will form the substance of the second phase of consultation with stakeholders, and inform the test of opinion for tenants.</p>
<p><b>2. Financial Appraisal</b></p> <p>Clear information about the financial impact of each option is essential HRA and impact on the general fund. Where this is outsourced to consultants' tenants, staff and councillors should be aware of the implications and assumptions</p>	(a) Sensitivity analysis of assumptions and risks identified for all options or mix of options	<p>Tribal have completed the financial analysis for the options for the Council. The first phase of consultation clearly identified that LSVT and stock retention are the preferred options for tenants. These Options were the focus of the test of opinion in the second round of consultation.</p> <p>This follows a clear indication from the financial analysis that ALMO would not attract funding as the Council is able to achieve Decent Homes, and PFI has limited viability.</p>
	(b) Consistency between the investment appraisal and latest business plan.	<p>The HRA Business Plan has been published along with the Councils medium term financial strategy and they provide the base data for the investment appraisal by the Lead Consultant.</p>

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<p>behind these. The ITA will have a role in helping tenants understand and contribute to this process.</p>	<p>(c) Analysis and consideration of the application of usable receipts and management cost base including recharges to the HRA.</p>	<p>The Lead Consultant has now completed their analysis following delays experienced due to difficulties with the verification of the Stock condition survey (undertaken by Ridge consultants on behalf of HACAS).</p> <p>The full range of analysis has been completed including application of usable capital receipts, management costs and HRA recharges.</p>
	<p>(d) The reasonableness of the financial assumptions including impact of planned possible changes</p>	<p>The evaluation process will include examining and testing the assumptions underlying the business plan and the projected income and planned changes in service provision.</p> <p>The HOWG including members and tenants have had the opportunity to consider in detail the underlying assumptions for the financial analysis. They were discussed and challenged in sessions of Councils Management Team and HOWG.</p>
<p><b>3. Stock Condition Survey</b></p> <p>An authority must have robust, accurate and up to date data on which to base their appraisal. All stakeholders must be aware of this information and it should be externally verified. The level of backlog of repairs, major repairs and improvements to meet decent homes must be clear. The investment gap should be identified.</p>	<p>(a) A recent stock condition survey commissioned on the basis of good practice contained within the guidance</p>	<p>The Council commissioned a Stock Condition Survey in 2002 in accordance with the ODPM guidelines.</p> <p>It is recognised that there are weaknesses in the survey data, highlighted during the validation process. In addition now that the survey is almost 4 years old it is due for revision, and this would be a requirement for stock valuation should the Council decide to transfer the stock.</p>
	<p>(b) Collecting, Managing and Using Stock Information.</p>	<p>The Councils has established the software and hardware capacity to maintain and update the stock attributes database. The information has been transferred onto the Orchard Attributes module to enable it to form part of the housing integrated database.</p> <p>Most capital works and gas servicing will be automatically updated on the attributes system through the Orchard repairs and maintenance modules by July 2005.</p>
	<p>(c) A lead member of staff to work with external consultants to ensure quality and usefulness of outputs.</p>	<p>The Council has identified the Principal Technical Officer to ensure the standard of the property data.</p> <p>An agreement was reached with the Government Office that the Council would work with Ridge to provide the stock information they required and carry out some survey work and desktop analysis to supplement the stock condition survey data. This enabled Ridge to complete their work and sign off the validation of the stock information to enable the financial analysis to be completed.</p>

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	(d) A robust in house system and database for properly updated information	The Council has established the software and hardware capacity to maintain and update the stock attributes database. An ongoing programme of surveys will ensure the maintenance of the validity and accuracy of the stock condition information. These will supplement the information that will transfer electronically through the interface between the Orchard modules.
	(e) A clear picture of decency amongst the stock including newly arising need	The Council has a current clear picture of the level of decency within the stock, and is able to estimate newly arising need. This is achieved through the monitoring of works undertaken annually and the heating servicing data base, and relating this back to the survey data.
	(f) Testing of costings/assumptions against current tender prices and build cost inflation.	The cost information linked to the stock data has been updated as part of the validation process undertaken by Ridge so that it can accurately represent current prices.
	(g) Comparison of stock investment programme from the survey against total resources.	The stock investment programme has been compared with survey information to formulate strategy for the achievement of the decent homes standard by 2006.  This will be kept under review and revised as necessary to reflect financial budgetary decisions made by Members of the Council.
<b>4. Analysis of Demand</b>	(a) Future needs for affordable housing in the area	District-wide Housing Needs Study carried out in August 2002 indicate a net affordable housing requirement of 884 homes per annum over the next five years to meet identified housing needs.
	(b) Identification of low demand is it generic or localised? What are the key factors and possible solutions	Low demand only exists primarily in respect of bed-sit and certain one bedroom sheltered units. The bed-sit units on 5 sheltered schemes have been designated for redevelopment and re-designation. The process has now been underway for over 2 years with some scheme closures and others still being wound down as units are vacated. The redevelopment opportunities include provision of special needs accommodation for mental health clients. Further evaluation of individual sheltered schemes is on going.

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	(c) Identification of gaps in affordable housing provision and what are the best options for dealing with them	<p>Gaps are mainly in smaller units for single people and other smaller households. Council policy seeks public sector funding to utilise Section 106 agreements to achieve planning gain particularly on larger sites.</p> <p>A new target of 50% affordable housing per site has been recommended by the Local Development Framework for approval following consultation. It also provides a policy framework to increase the number of smaller units on residential sites and to increase unit densities.</p> <p>Re-designation of sheltered units for other needs groups e.g. single people is also an option. This has been agreed in respect of one scheme at Gamlingay so far and may be looked at elsewhere for low demand units that are otherwise suitable to meet housing needs.</p> <p>Also a need to provide for Key Workers that is being addressed through implementation of the recommendations of Sub-Regional Key Worker Study completed in 2003. The Council is working closely with the Housing Corporation Zone Agents.</p>
<p><b>5. Mixed Solutions</b></p> <p>Authorities should as part of the process look at mixed model solutions and partial options but only as part of an overarching strategy for the whole stock.</p> <p>[NB will not apply to all LAs]</p>	<p>(a) Analysis of the impact of partial options within the</p> <p>(b) context of an overarching strategy</p> <p>(c) A method for desegregation of information to assess needs at a local level and right fit with options.</p>	<p>The council are seeking mixed solutions through consideration of appropriate solutions to issues of low demand and high cost repairs for certain types of properties. The sheltered bed sits are subject to redevelopment to address local need and hard to let voids. Non-traditional construction Airey properties are due for redevelopment to address inherent and substantial structural problems, causing high projected maintenance costs.</p> <p>All solutions will be evaluated against the strategic aims for the housing service and the corporate objectives for the Council.</p> <p>Consideration has been given to separating sheltered housing, but this is judged to limit future asset management options.</p> <p>It is intended to create an evaluation matrix that allows options to be assessed against predetermined criteria including deliverability.</p>

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	(d) Levels of service area based solution could provide	<p>The Fulbourn estate of non-traditional systems built PRC properties is under consideration for an area based solution to high projected future maintenance costs. The Council is working with tenants, Members and the Parish to consider how a local Housing Association may work with the Council to offer substantial improvements to the properties and the local environment. Cabinet in May 2005 will be asked to agree that the estate be transferred to Nene Housing Society for redevelopment.</p> <p>Consultation for the Fulbourn Project has included open meetings, published information and personal contact for tenants.</p>
	(e) Quality of the depth of consultation and involvement of tenants and other stakeholders in an area	<p>Focused consultation exercises have taken place and continue in relation to specific projects and local initiatives.</p> <p>The OA process has included area based focus groups. The second phase will include a programme of meetings at sheltered schemes.</p>
<p><b>6. Tenant Management and tenant led solutions</b></p>	(a) Engagement with existing and potential tenant management organisations	<p>It is apparent from the first phase of consultation that there is no strong interest in TMO's among tenants in South Cambridgeshire.</p>
	(b) Promotion and awareness of use of Section 16 funding to explore options for local tenant led options	<p>The HOWG have received briefings on all the options including TMO's.</p>
	(c) Information on stock condition and the housing market made available to local level organisations	<p>The Business Plan and the Housing Strategy having been signed off and are widely available both as hard copies and through the Councils web site.</p>
<p><b>7. Wider strategy for neighbourhood renewal</b></p> <p>An authority's option appraisal should show clear links to initiatives such</p>	(a) Links with other initiatives and funding on neighbourhood level	<p>The HOWG incorporates the Councils Management Team and Chief Executive, providing links to the Councils broad strategic agenda and county wide initiatives.</p>
	(b) Awareness amongst key partners of option appraisal process	<p>A presentation has been made to the LSP on the Councils OA process, and they are being kept informed of progress and the outcome of the project.</p>



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<p>as low demand pathfinders, Local Strategic Partnerships, Health Improvement Plan and New Deal for Communities.</p>	(c) Details of wider consultation and methods, feedback	As above
	(d) Assessment of potential contribution of each option to local regeneration	<p>Solutions to a range of asset management issues have been addressed through the redevelopment initiative for 5 sheltered schemes with bed-sitter accommodation.</p> <p>The Council has agreed to dispose of 5 sites of Airey properties to Housing Associations for redevelopment following extensive local consultation. Cabinet will be asked in May 2005 to agree to dispose of the Windmill Estate to Nene Housing Society for redevelopment following extensive local consultation.</p>
<p><b>8. Objective robust evaluation of options</b></p> <p>VFM, sustainable DH, improving services, tenants priorities, deliverability, local priorities, regional, national</p>	(a) Establishment of clear, defined objectives with a balance of local and national priorities.	<p>The Options Appraisal Strategy identifies the objectives for the project.</p> <p>In December 2004 a detailed report was presented to Cabinet detailing the evaluation process and criteria for the OA project.</p>
	(b) Early involvement of stakeholders.	<p>Stakeholders have been engaged through the OA consultation process with the support of the ITA.</p> <p>Briefings have been given to Management Team, Cabinet, all Council staff, the LSP, the HA forum, and the Housing Corporation.</p>
	(c) Housing service priorities and current performance.	<p>The Housing Strategy and the HRA Business Plan identify the priorities for the service and the financial resources available within the HRA. These documents have been widely available since August 2004.</p>
	(d) Objective evaluation of costs and benefits of each option, including choice of landlord within the stock transfer option, against agreed criteria.	<p>The evaluation process and criteria have been determined by the HOWG and endorsed by the Cabinet.</p> <p>The process will be undertaken using an evaluation matrix that allows options to be assessed against various criteria.</p>

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<p><b>9. Decision making process</b></p> <p>Tenants should be at the heart of the decision making process. Support should be demonstrated for the chosen option by tenants and councillors.</p>	<p>(a) Feedback from tenant representatives and other tenants involved in the process.</p>	<p>Tenants are an integral part of the process as members of the HOWG. The communications strategy details how the consultation process will be conducted.</p> <p>Tenants were sent newsletters in August outlining the options appraisal process and invited to complete a questionnaire informing us of their priorities for their homes and services. 170 tenants replied 'yes' to the question would you like to be more involved. They were written to and invited to attend 4 focus groups to test the results of the survey, expand on issues raised in the survey, list concerns and hopes and discuss the next round of consultation. The focus groups also commented on the design of the 'test of opinion' to be used during the second phase of consultation.</p> <p>The results from the first survey concerning priorities for services and homes and with further consultation with the tenant representatives has resulted in the 'future homes standard'.</p> <p>A third newsletter with a test of opinion has been sent out to all tenants and leaseholders at the end of March 05. Along side this consultation events will be taking place throughout the district so that tenants can access independent and impartial information and advice from the ITA.</p>
	<p>(b) Clear audit trails of tenant influence and involvement in decision making</p>	<p>Records of meetings and verification of tenant involvement has progressively been collected as the project progresses.</p> <p>Copies of all newsletters, fact sheets and display boards will be made available.</p>
	<p>(c) Political commitment to the outcome</p>	<p>Members have been involved in a Housing Strategy, Business Plan workshop event held in January to consult stakeholders on their views, particularly about means of consultation. Information was also given on the housing strategy, decent homes and the options appraisal process.</p> <p>The Option Appraisal has been considered in Cabinet and at the Housing Portfolio Holder Meeting in 2004, and 5 Members will form part of the Options Appraisal Working Group.</p> <p>Regular briefings have been given to the Housing Portfolio Holder, Cabinet, Scrutiny and Full Council throughout the process.</p> <p>Party Political Group briefings were given to Members in April 2005.</p>

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<p><b>10. Change management process</b></p> <p>Focusing on staff, unions, resourcing, leadership, capacity and skills.</p>	(a) Clear change management plan in place	An Action Plan with milestones has been developed and updated progressively to reflect the progress of the project. This allows the key elements of the project to be determined and projected forward within the overall timetable.
	(b) Work with CHTF and others to gather and implement best practice.	Meetings have taken place with CHTF and they have attended a selection of the HOWG meetings. She has also met the consultants engaged by the Council on the project. It is anticipated that she may also attend some of the tenants' events.
<p><b>11. Management of the process</b></p>	(a) Establishment of a project team and working group with representatives from stakeholders.	<p>An officer Project Team including the Head of Shire Homes, the Policy and Review Manager, the Housing Accountant and the Tenant Participation Officer.</p> <p>The HOWG includes Member and Tenant representatives and Corporate Management Team; the Chief Executive, the Director of Finance and Resources and the Director of Housing and Environmental Services.</p>
	(b) Level of resources made available, early assessment of capacity and skills to deliver.	<p>Request for consultancy funding agreed February 2004.</p> <p>(ITA and Lead Consultant)</p>
	(c) Timetable agreed with CHTF and GO.	The timetable has been revised to allow for the progress of the project.
	(d) Member involvement and engagement in the process.	<p>Member approval has been given for consultancy funding.</p> <p>A Cabinet report was presented to Members in April and December.</p> <p>A Portfolio Holder Report was presented in May 2004.</p> <p>Party Political Group briefings were given in April 2005.</p>