

# Dacorum Borough Council

## Asset Management Strategy



**Version 1  
January 2014**



## Contents

<b>Executive Summary</b>	<b>3</b>
<b>Part 1 – Property and Corporate Priorities</b>	<b>6</b>
i. Council Services	6
ii. Vision and Priorities	6
iii. Affordable Housing	7
iv. Regeneration	8
v. Safe and Clean Environment	9
vi. Community Capacity	10
vii. Dacorum Delivers	10
<b>Part 2 – Performance of the Current Portfolio</b>	<b>12</b>
i. Asset Groups	12
ii. Overall Portfolio Performance	12
iii. Operational Assets	15
iv. Community and Infrastructure Assets	16
v. Garages	18
vi. Investment Portfolio	19
<b>Part 3 - Realizing Improved Financial Performance</b>	<b>22</b>
i. Asset Utilisation	22
ii. Alternative Use/Disposal	22
iii. Cost Management	23
iv. Increasing Income	25
<b>Part 4 - Creating the Framework for Long Term Success</b>	<b>27</b>
i. Operating Model	27
ii. Governance	29
iii. Management Information and Performance Reporting	30
iv. Working With Partners	32
<b>Annexes</b>	
<b>A Delivery Plan</b>	<b>34</b>
<b>B Indicative Performance Management Dashboard</b>	<b>40</b>

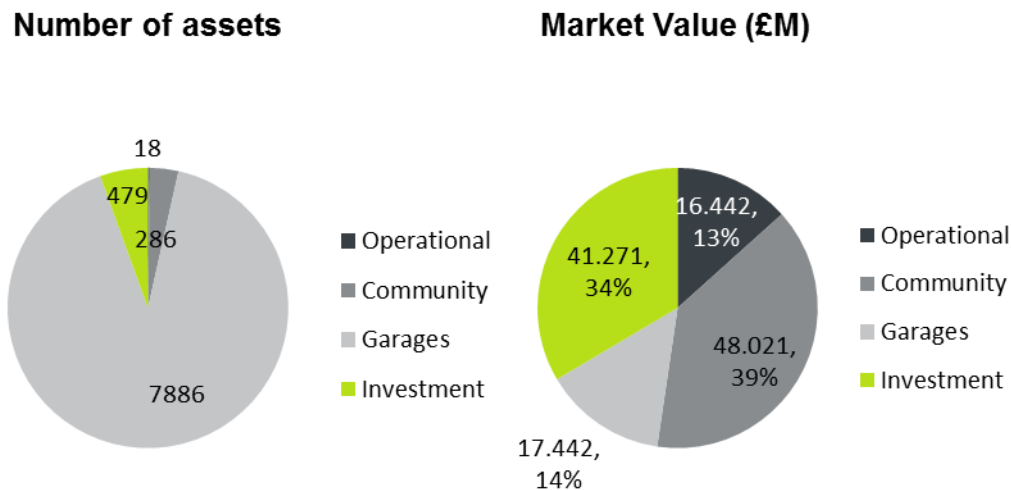
## Executive Summary

1. This strategy sets out how Dacorum Borough Council intends to use its property portfolio to support the priorities identified in its *Corporate Plan*, and how it plans to improve the performance of its assets. The strategy also informs and supports the Council’s Medium Term Financial Strategy. More detailed plans for individual property assets are outlined in the Council’s *Asset Management Plan*. The Council’s social housing stock is covered separately under the *Housing Strategy*.

2. The Council holds a substantial property portfolio with an estimated market value of over £123M<sup>1</sup>. Its assets include:

- Operational assets – required to deliver Council services
- Community assets – supporting community well-being
- Garages – nearly 8,000 units in total for rent
- Investment assets – delivering an annual revenue stream for the Council

**Figure 1: Dacorum’s Assets by Number and Value**



3. This strategy is set out in four distinct sections, which cover the key areas the Council must consider in order to manage its asset portfolio effectively:

### Part 1 – Property and corporate priorities

4. This section sets out how the Council is aligning its property portfolio to the services it delivers and its corporate priorities. Economic growth is a key priority, as set out in the *Dacorum Look No Further* strategy, as is delivering affordable housing. The Council is using its assets to support these goals by:

<sup>1</sup> The Council’s housing stock is separately valued at £627M

- Reducing the public sector footprint in Hemel Hempstead town centre, including property owned by the Council, and using surplus land to support regeneration;
- Using Council land in Maylands to support business growth and economic development;
- Freeing up garage sites and other under-utilized brownfield sites for potential housing or other development.

## **Part 2 – Performance of the current portfolio**

5. This section assesses the current performance of the property portfolio. Over half the portfolio value is in community assets and garages, reflecting the importance the Council places on community well-being. Investment properties, held to generate revenue, account for a further third and deliver an annual net income of over £2.9M. Altogether the property portfolio accounts for £4M of annual expenditure, it generates £7.8M of annual revenue and net income of over £3.8M. Equivalent to 38%<sup>2</sup> of income from Council Tax payments, it is vital for the Council's financial position.

## **Part 3 – Realizing improved financial performance**

6. This section covers the Council's plans for a more efficient, and commercially aware approach to holding property. It covers plans to reduce costs by:

- taking a more proactive approach to maintenance;
- maximizing cost recovery from service charges, delapidation settlements and Full Repair and Insurance leases where appropriate;
- maximizing commercial leverage when procuring services, potentially in cooperation with other organizations;
- adopting more efficient energy and waste consumption strategies where opportunities exist;
- engaging in dialogue with community partners to explore where they may be better placed to run assets.

7. Reductions in central government funding have put greater onus on local authority revenue generation to protect services. The Council is fortunate to have an investment portfolio which delivers a significant annual return, but it will aim to protect revenue for services by:

- proactively using rent reviews to address its poorest rental returns;
- considering the disposal of assets that do not contribute an acceptable return;
- using operational and community assets to support its partners so the investment portfolio is focused on income generation;
- increasing income from Business Rate Retention and Council Tax receipts through economic and housing growth.

---

<sup>2</sup> £9.995M, paragraph 4.3, page 12, Medium Term Finance Strategy dated July 2013

8. Where appropriate, the Council will also look to maximize value from changing the use of assets, including garage sites and redundant buildings. It will scrutinize asset utilization to generate a forward programme of opportunities for generating capital receipts or revenue benefits.

#### **Part 4 – Creating the framework for long-term success**

9. Delivering long-term performance excellence requires a management framework which enables the organization to monitor performance and make the right decisions. The Council is well served by its small property team but the Council will aim to better support their work by:

- Improving the property management structure to ensure clearer delineation of responsibility and appropriate capacity and capabilities to support delivery of this asset management strategy;
- Introducing a new Property Management Board to improve governance, and focus decision-making on priorities;
- Improving collection and use of management information so decision-makers have the right information and performance data provided in a timely manner;
- Collaborative working with other public sector organizations where the net benefit is greater than Dacorum can achieve on its own.

10. This strategy will form a key reference point for the new Property Management Board, and it will be reviewed annually as a minimum. The strategy is accompanied by a delivery plan at Annex A which will be used by the Property Management Board to drive improved performance.

11. **The key recommended actions are:**

- **Conduct asset development reviews on under-utilized assets and create a development opportunity pipeline**
- **Monitor utilization of community assets**
- **Sustain a proactive maintenance regime**
- **Adopt a consistent approach to below market rents for the public and 3<sup>rd</sup> sector**
- **Review the property operating model to deliver better performance and decision-making**
- **Establish a Property Management Board to deliver improved governance**
- **Review management information collation and performance reporting so the right information is given to decision-makers**

## Part 1- Property and Corporate Priorities

### Introduction

1.1 It is vital for the Council to understand how its property assets support the delivery of services and priority outcomes to ensure that it only uses those assets it really requires, and that the assets it uses are fit for purpose.

### Council Services

1.2 Local service delivery in Dacorum is split between the Borough Council and Hertfordshire County Council. This has a significant bearing on how the Borough Council's administrative and operational property portfolio is used in particular, as the County Council is responsible for adult social care, schools and early year providers, children protection services, highways, fire and rescue and trading standards. Dacorum Borough Council is responsible for the following services:

- Providing social housing
- Administration of Housing Benefit and Council Tax
- Maintaining parks and open spaces
- Waste and recycling collection
- Environmental health
- Community engagement and addressing anti-social behaviour
- Children and youth services
- Arts and entertainment
- Development Management and Planning Services
- Car parks
- Cemeteries
- Support to democratic processes

### Vision and Priorities

1.3 It is important that the Council's property assets support its wider corporate vision and five priorities areas (see figure 2 below), adopted in 2010 and which will remain in place until 2015. Affordable homes, regeneration and the local economy are a particular focus. The *Corporate Plan 2012-2015* builds on the priorities by setting out key aims in each area, and this asset management strategy identifies where the Council's property assets are being used to support their delivery. This alignment should continue to improve once the proposed changes to the Council's property operating model, set out in paragraph 4.3, are completed.

Figure 2: Dacorum's Vision and Priorities



## Current Alignment of the Property Portfolio to the Corporate Priorities

### Affordable Housing

1.4 The Council adopted the Local Planning Framework *Core Strategy* in September 2013, which sets out overall planned housing development to meet expected housing demand in the period out to 2031. Over 10,750 homes are expected to be built from 2006-2031, averaging 430 new dwellings per annum. A number of sites owned by the Council are earmarked for development, including both brownfield and greenfield sites. Examples include land at Cherry Bounce and Piccotts End which together might deliver over 380 new dwellings. As a result, the Council will need to plan the release of identified sites to ensure timely development in line with expected demand.

1.5 Under its *Housing Strategy*, the Council has a major housing programme underway which includes:

- Plans to deliver over 1,000 new affordable homes in partnership with housing associations over the next five years;
- Its own new-build programme for over 300 new homes by 2019/20;
- A significant increase in the level of investment in the Council's housing stock;
- Plans for a new homeless hostel by 2015.



1.6 The Council's property portfolio is supporting the Council's housing plans where it is identified that assets are no longer required for their current use and may be converted for development. For instance:

- The Council holds in excess of 1,800 void (empty) garages and it is currently reviewing how they might be consolidated to free up land for housing development.
- The property team in conjunction with the Strategic Housing team has assembled land at London Road, Hemel Hempstead, which has been readied for housing development and transferred to the housing team for development.
- The property team in conjunction with the Strategic Housing team has purchased an alternative site for the Tring depot with a view to enabling housing development on the current Tring site.
- The Council is preparing one of its sites for the new homeless hostel it aims to build in Hemel Hempstead by March 2015.

1.7 Supporting affordable housing is a key priority for the Council. However, any evaluation of the development potential of sites must include consideration of lost income where assets currently provide a revenue stream.

### Regeneration

1.8 The Council's *Dacorum Look No Further* strategy sets out its approach to making the Borough more attractive to investors and visitors to boost the local economy, create jobs and increase prosperity.

1.9 The Council acknowledges that it cannot on its own deliver significant regenerative effect and that it must encourage significant private sector investment in the Borough. It aims to act as a catalyst for regeneration and growth by maximizing use of its own assets, including supporting master plans for the priority areas of Hemel Hempstead Town Centre and Maylands Business Park. Specific measures include:

- Maylands Business Centre: Set up and owned by the Council, the Centre supports local small business start-ups. It is now self-funding and is very successful, achieving near full-occupancy and a number of businesses have already moved on to bigger premises.
- Land at Maylands/Woodwells: the Council is aiming to develop surplus land it holds at Maylands to support business growth there.
- Hemel Hempstead Old Town: To help make the Old Town a more attractive destination for visitors, the Council is upgrading the Old Town Hall to make it more accessible for visitors.
- Hemel Hempstead Public Sector Quarter and Market Square: The Council is seeking a development partner to help transform the Market Square by creating a new bus terminal in the centre of the

town and developing the Market Square to provide restaurants and leisure facilities. It is also looking to replace existing public sector buildings on The Marlowes with a purpose-built Public Sector Quarter and release land to support housing development and a new food superstore (see para 1.16i below).

- v. Jarman Park: The Council is working with private sector partners to enhance the leisure and retail offer with improved connectivity, including making improved use of the Council's land holdings.

1.10 Stimulating regeneration and growth will also potentially improve the Council's revenue position as a result of business rate retention but the Council will need to weigh up the benefits carefully where new projects risk the loss of current income. Getting the balance right between future economic growth and the protection and enhancement of revenue income is a key issue for asset management planning.

Safe and Clean Environment

1.11 The Council is working to deliver a clean, safe and sustainable environment for its citizens, and its assets make a considerable contribution to supporting community well-being. Extensive open spaces are provided to the community including numerous parks, woodland, outdoor sports pitches and facilities, and allotments. Three of the Borough's parks - Canal Fields, Chipperfield Common and Tring Memorial Gardens - have achieved the coveted Green Flag Award national standard for parks and green spaces.

1.12 Providing safe sporting environments and areas for children to play are also priorities. The Council works with the Dacorum Sports Trust to provide a range of sports facilities for the community including sports centres at Hemel Hempstead, Berkhamsted, Tring and Longdean, Nash Mills recreation centre, the Little Hay golf course, and Dacorum's athletic track. It also invests in children's playgrounds across the Borough and the four adventure playgrounds it runs receive over 70,000 visits a year.

**Figure 3: Sports and Outdoor Facilities**

Asset Type	Number
Adventure Playgrounds	4
Allotments	18
Parks/Open Spaces	45
Sports Centres	5
Sports Ground & Pavilions	27
Woodlands	25

1.13 The Council aims to provide a cleaner environment by managing its estate in a sustainable way, and it is one of the few local authorities to have achieved the internationally recognized ISO 14001 standard for environmental management; Cupid Green was the first local authority waste depot to achieve accreditation for its waste service operations in 2004. The Council has measurements and performance targets in place to improve performance on

its use of electricity, gas, water and paper, and the amount of landfill waste it produces from its operational estate, with figures reported quarterly. This focus has already seen an 11% reduction in water usage since 1 April 2012.

### Community Capacity

1.14 Dacorum has a vibrant sense of community which the Council is keen to support. It works with a wide range of local independent and voluntary organizations which help provide many services in the community, or otherwise support community cohesion. The Council aims to support the community by ensuring there are suitable assets available to support civic participation and assets to support vulnerable and deprived groups in the community. It provides a range of community assets, some of which are leased out and others which can be used on an ad hoc basis, including community centres, civic halls and facilities for youth groups.

**Figure 4: Community Buildings**

<b>Asset Type</b>	<b>Number</b>
Care centre	1
Civic Halls	4
Communal Rooms	10
Community Centres/Halls	16
Scout huts	6
Youth Clubs	6

### Dacorum Delivers

1.15 The Council recognizes the importance of running its own operations efficiently, including the utilization and effective management of the property portfolio. An efficient and cost-effective property portfolio is vital because the Council owns assets valued at over £123M, with annual costs of over £4M and income of over £7.8M. It is also a crucial enabler for around 700 Full Time Equivalent (FTE) staff the Council employs, because providing the right environment for staff is important to enhancing staff effectiveness and service delivery.

1.16 The Council has a number of strands of work already underway to improve the cost-effectiveness of its estate including:

- i. New Public Service Quarter: The Council is working on a major project to replace the ageing and inefficient Hemel Hempstead Civic Centre, with a new purpose-built Public Service Quarter by 2017. By working with other public sector partners, the Council intends to bring library, police, health, voluntary and Council services together in one new cost- effective and energy-efficient building in the heart of the town, making them more accessible to the public and supporting more effective service delivery. A flexible building design will mean that if the Council significantly reduces in size in the years ahead, the space it occupies can be reduced and leased by other organizations. The project will significantly rationalize the public

sector footprint and release land for regeneration. The Council plans to vacate the Civic Centre in 2014 to enable demolition and has acquired 39 and 41 The Marlowes and the Magistrates Court to provide decant space during the construction phase.

- ii. Maintenance contracts: The Council has agreed a contract with Serco for a more cost-efficient way of managing its civic buildings. Over four years from 2012, it expects to save nearly £0.5M from this contract.

1.17 Improving the performance of the operational estate is being co-ordinated with wider efficiency initiatives including:

- Online Service delivery Increasing online service delivery should improve customer experiences while reducing staff requirements and the need for operational estate.
- Flexible working The *Dacorum Anywhere* initiative is driving modernization of working practices by providing staff access to IT systems wherever they are, and putting in place new flexible working arrangements which enable staff to work efficiently from remote locations, enhancing productivity and saving on building maintenance costs.

1.18 The following sections of the strategy provide an analysis of the current performance of the property portfolio and identify further measures which might be taken to support corporate priorities.

## Section 2 – Performance of the Current Portfolio

### Introduction

2.1 An understanding of current performance is vital if the Council is to improve the property portfolio's support to corporate priorities and enhance the Council's financial stability.

**Figure 5: Financial Impact of the Property Portfolio 2012/2013 (£M)**

Asset Value	Total Income	Total Cost	Net Income
123.196	7.793	3.998	3.795

### Asset Groups

2.2 The Council groups its 8,669 property assets according to their purpose to support performance analysis, as different types of assets have different performance drivers. The Council uses four high-level groupings to describe its assets:

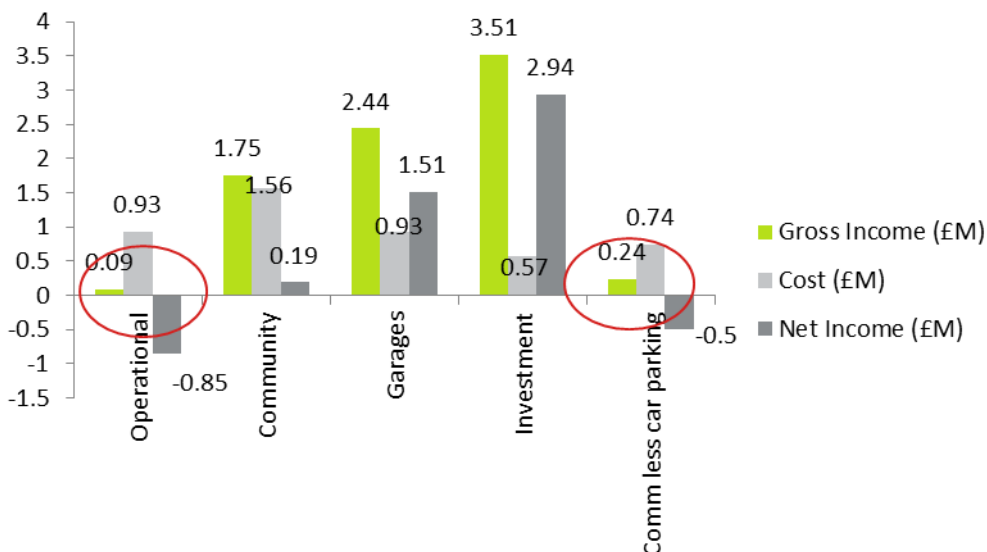
**Figure 6: Definition of asset groups**

<b>Operational</b>	Assets the Council holds to support directly the delivery of Council services.	Includes civic centres, Environmental Services depots
<b>Community and Infrastructure</b>	Assets the Council holds to support Community well-being, beyond the direct delivery of Council services	Includes parks, bridges, cemeteries and crematoria, heritage assets, land, off-street car parks, adventure playgrounds, community centres, communal rooms, youth clubs, scout huts
<b>Garages</b>	Assets the Council holds to ensure the availability to local residents of garages (originally linked to the provision of social housing stock)	Includes garages
<b>Investment Portfolio</b>	Assets the Council holds to deliver annual income or appreciation in value in support of the Council's wider corporate objectives	Includes shops, maisonettes, industrial units, storage units, offices, filling stations, public houses, surgeries, workshops, houses, museum, nurseries, land

### Overall Portfolio Performance

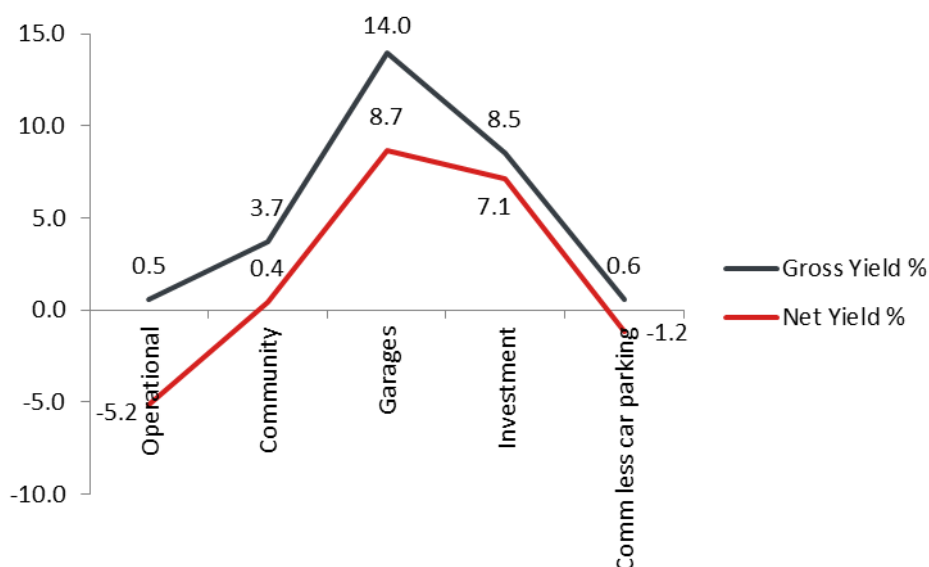
2.3 Community assets and garages comprise over 50% of the market value of the Council's property portfolio, with a further third in the investment portfolio. Community assets, garages and the investment portfolio all generate significant income, but figure 7 highlights that the cost of community assets largely negates their income, and if the net income delivered by car parking is discounted, community assets are a significant annual cost. Nevertheless, operational assets are the costliest asset group to provide, mainly because they have limited scope to offset costs through income generation.

**Figure 7: Income by asset group (£M)**



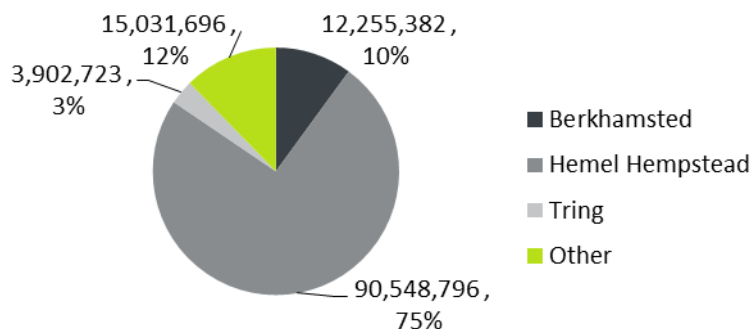
2.4 Figure 8 highlights that garages and the investment portfolio deliver the highest annual returns on investment. The investment portfolio’s primary purpose is to generate income so strong returns are expected, but the significantly higher return delivered by the garage portfolio demonstrates it is also important for revenue generation. Nevertheless, the net cost (before depreciation) of the garage stock means its net yield reduces considerably bringing it much closer to that of the investment portfolio, because the latter has comparatively lower running costs. The operational and community portfolios deliver far lower annual returns, which is consistent with neither of them having the primary purpose of revenue delivery.

**Figure 8: Yield by Asset Group %**



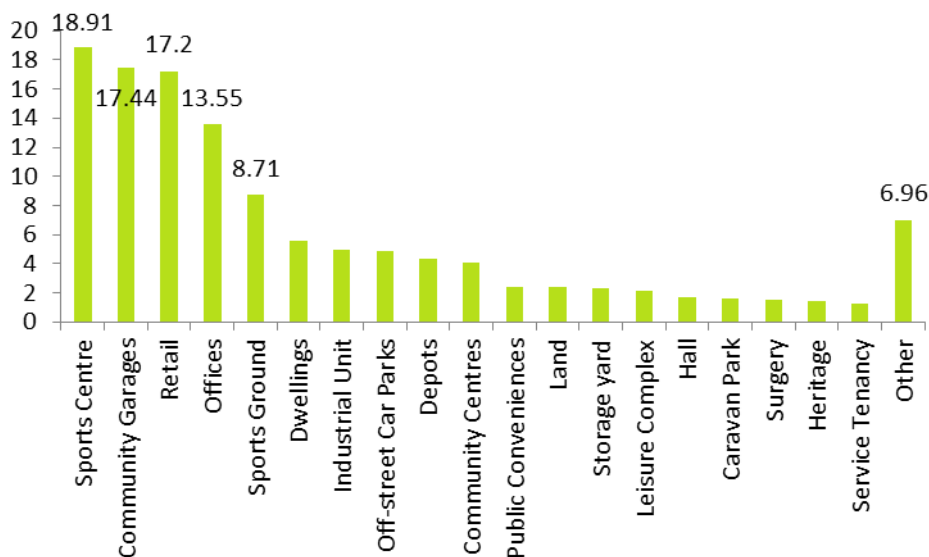
2.5 The vast majority of the Council’s assets are concentrated in the borough’s major urban centre, Hemel Hempstead, which has a bearing on its ability to use its assets to support its priorities.

**Figure 9: Distribution of asset value by location (£M)**



2.6 Within the four asset groups, the Council holds a broad range of different asset categories, as indicated at figure 10. The majority of value is concentrated in a handful of asset categories with the top five representing over 60% of the market value of the entire property portfolio.

**Figure 10: Asset categories by market value (£M)**



2.7 Annual income is also concentrated on a small number of asset categories. Figure 11 highlights that garages, retail units, off-street car parks, industrial units and dwellings collectively account for 40% of the portfolio value but deliver 82% of annual income. The Council must sustain or improve its income from these assets, while looking to deliver additional income from the rest of the asset base.

**Figure 11: Income by Asset Type**

	<b>Total Number</b>	<b>Total Value (£M)</b>	<b>Income (£M)</b>	<b>Total Income %</b>	<b>Gross Yield %</b>
Garages	7,886	17.442	2.441	31.3	14.0
Retail	183	17.197	1.622	20.8	9.4
Off-street Car Parks	27	4.893	1.514	19.4	30.9 <sup>3</sup>
Industrial Unit	47	4.937	0.414	5.3	8.4
Dwellings	78	5.564	0.403	5.2	7.2
<b>Total</b>	<b>8221</b>	<b>50.033</b>	<b>6.394</b>	<b>82.0</b>	<b>12.8</b>
<b>The Rest</b>	<b>448</b>	<b>73.285</b>	<b>1.399</b>	<b>18.0</b>	<b>1.9</b>

2.8 The remainder of this section provides analysis of the individual asset groups.

### **Operational Assets**

2.9 The Council delivers its services from a small number of administrative and operational properties. It also retains a small number of serviced tenancy properties.

- i. Administrative offices (7): Around 500 FTEs operate from Hemel Hempstead Civic Centre, and the Council also runs the Maylands Business Centre which is used to support small businesses. Berkhamsted Civic Centre and The Bury are also retained as administrative buildings although neither is used to deliver Council services; they are used to accommodate other public sector organizations and provide community facilities. 39 and 41 The Marlowes have been purchased to provide temporary administrative offices to support the transition from the Civic Centre to the new Public Sector Quarter and the Old Court House will be included in the public sector footprint to be redeveloped (see paragraph 1.16i).
- ii. Operational Depots (4): The Council operates depots from which around 180 FTEs deliver Environmental Services, and some elements of Residential and Regulatory Services; the main depot is at Cupid Green in Hemel Hempstead with three further depots at Berkhamsted, Tring and Kimps Way, Hemel Hempstead. Berkhamsted Depot is largely leased to partner organizations and is not vital to operational delivery.
- iii. Service Tenancies (7): These are properties which have historically been tied to a specific role, such as cemetery caretakers.

<sup>3</sup> It is not possible to determine net yield for all asset categories because of the structure of financial reports, but it is possible for garages and off-street car parks. Garages have a net yield of 8.7% and off-street car parks 14.1%



2.10 The Council’s operational assets are currently valued at £16.462M, although the new Public Sector Quarter will increase the total value invested in operational assets once it is built.

**Figure 12: Cost of the operational estate (£M)**

Asset Category	Number	Value (£M)	Income (£M)	Cost (£M)	Net Cost (£M)
Offices	7	11.969	0.086	0.74	0.654
Depots	4	3.237	0.002	0.195	0.193
Service Tenancies	7	1.255	0	NA <sup>4</sup>	NA
Total	18	16.462	0.087	0.935	0.848

2.11 Operational assets represent the largest net annual running costs of the asset groups. The Council has a number of initiatives underway to transform the operational portfolio so that it is fit-for-purpose, efficient and sustainable, as well as releasing capital value and supporting regeneration:

- i. Replacing the Civic Centre at Hemel Hempstead. The new Public Sector Quarter will improve service delivery and reduce annual running costs.
- ii. Cupid Green Upgrade. This facility has already undergone significant capital investment, including recycling facilities and more modern, sustainable energy plant. The Council is relocating the CCTV control room to an upgraded suite at Cupid Green.
- iii. Relocation of Tring Depot. The Council has purchased a fit-for-purpose site from Hertfordshire County Council for a new depot. It will release the current site for housing development and provide more capacity to alleviate space constraints at Cupid Green.

2.12 The Council has mature plans to improve the effectiveness of its operational estate but it will be important to monitor delivery of forecast benefits from initiatives in hand. It will also plan carefully to minimise the running costs relating to surplus administrative and operational assets.

### **Community and Infrastructure Assets**

2.13 The Council owns extensive community and infrastructure assets, reflecting its focus on community well-being. Altogether there are 286 assets which collectively account for 39% of the value of the property portfolio (see figure 13). Sports centres and sports grounds alone account for nearly a quarter of the total property portfolio value.

---

<sup>4</sup> It is not possible to identify these costs from financial reports, although they are likely to be very low.

**Figure 13: Community and Infrastructure Assets by Number and Value**

Asset Type	Number	Market Value (£M)
Sports Centre	5	18.907
Sports Ground	11	8.709
Off-Street Car Parks	27	4.893
Community Centre	16	4.090
Public Conveniences	21	2.425
Hall	4	1.691
Heritage	26	1.471
Sports Pavilions	16	1.055
Offices	3	0.709
Cemetery	14	0.690
Youth Clubs	6	0.677
Agricultural Land	7	0.568
Depot	2	0.515
Adventure Playground	4	0.484
Communal Rooms	10	0.435
Care Centre	1	0.286
Bus Station	1	0.185
Scout Hut	6	0.115
Information Centre	1	0.114
Allotment	18	-
Bridge	9	-
Cemetery Land	5	-
Land	3	-
Park	45	-
Woodland	25	-
<b>Total</b>	<b>286</b>	<b>48.021</b>

2.14 Community and infrastructure assets are provided primarily to support community well-being and as such it is difficult to undertake a meaningful assessment of their cost-effectiveness without a clear measurement of the benefit they provide to the community. It is clear, however, that barring off-street car parking, provision of community assets is delivered at a net cost to the Council of £0.5M per annum (see figure 14). This is largely because they produce limited income, although fees for halls, cemeteries and use of park facilities, sports grounds and allotments<sup>5</sup> collectively deliver over £0.2M income per annum.

**Figure 14: Cost of community assets (£M)**

	No of assets	Income (£M)	Cost (£M)	Net income (£)
Off-street car parks	27	1.514	0.825	0.689 <sup>6</sup>
Other assets	259	0.236	0.738	-0.501
Total	286	1.750	1.563	0.187

2.15 While income delivery is not the primary purpose of community assets, there may be scope to increase income, reduce costs or in some cases

<sup>5</sup> The Council maintains a comprehensive list of fees for use of community assets which is updated annually

<sup>6</sup> This is before non-controllable costs are deducted

potentially identify assets for development, transfer or disposal. The Council's new Property Management Board will need to establish a clear mechanism for monitoring usage of assets where feasible to validate their contribution to community well-being. The Council will also need to consider how it might improve the cost-effectiveness of some asset types including community centres and public conveniences.

**Figure 15: Cost Impact of Community Centres and Public Conveniences**

Asset Type	Value (£)	2012/13 Cost (£)	2012/13 Income (£)
Community Centres	4,019,400	116,428	0
Public Conveniences <sup>7</sup>	2,350,876	40,501	150

## Garages

2.16 The Council owns 7886<sup>8</sup> garages across the Borough with a capital value of £17.4m. They delivered £2.44M of billed income in 2012/13 for the Council against controllable costs of £0.93M, so they are an important source of revenue. However, a condition survey carried out in 2009<sup>9</sup> indicated that there was a £15M maintenance backlog on the garage portfolio over the next ten years, which has the potential to significantly affect future net income.

**Figure 16: The Financial Impact of Void Garages**

Total Number	Void	Void %	12/13 Lost Income (£M)	Value of Void Assets (£M)
7886	1877	23.8	0.706	4.086

2.17 Since 2011, the number of void garages has gone up substantially from 14% of stock to over 23%. This impacts income and the Council needs to improve its understanding of the causes so it can forecast the impact on future revenue and take action to arrest the trend.

2.18 The large number of void garages presents an opportunity to consolidate voids in order to vacate garage sites, enabling the Council to secure new income of potentially several million pounds from redevelopment of surplus stock. This could help to offset the costs of maintaining the core garage stock in the medium term. If the Council was not to pursue this opportunity, the condition of the garages would deteriorate or the cost of maintenance would present a significant pressure on Council finances.

2.19 The Council has already begun a process of consolidating garage voids to free up six pilot sites for small-scale housing development. It is undertaking further work to understand the scope for additional release of sites, disposal options, and the benefits this might deliver in housing development and income to the Council. More widely, the Council needs to

<sup>7</sup> These assets are redundant, having been closed under previous cost saving measures

<sup>8</sup> This figure is obtained from Asset Net

<sup>9</sup> Carried out by Tibbalds

ensure it has an efficient, long term value for money approach to addressing backlog maintenance, and will need to explore maintenance delivery options.

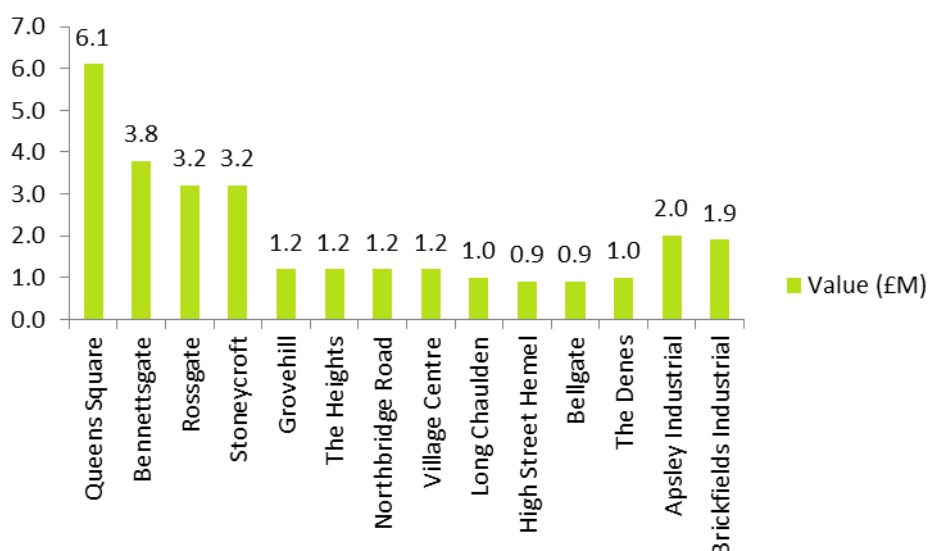
### Investment Assets

2.20 The Investment Portfolio of 479 assets is valued at over £41M and its primary purpose is to deliver annual income to the Council. In 2012/13 it provided £3.51M of income at a cost of £0.57M, delivering a net income of £2.94M. The overall gross yield was 8.5% with net yield of 7.1%<sup>10</sup>.

2.21 The portfolio is largely concentrated in a small number of locations and on particular asset types:

- 71% of the investment portfolio’s value is concentrated in 14 locations (12 shopping centres and two industrial estates) which mainly constitute a mix of retail units, dwellings and industrial units;
- these sites deliver 72% of the total income derived from the portfolio

**Figure 17: Market value of the 14 major sites (£M)**



2.22 Figure 18 highlights the importance of the 14 key sites in terms of income and net yield. The low cost of these locations improves the net yield but also reflects a risk that under-investment in these assets could lead to increased maintenance costs in the future or loss of income. Conversely, the remainder of the portfolio delivers a low net yield, reducing the overall effectiveness of the portfolio.

<sup>10</sup> Historic investment in the investment portfolio has been low, and the Council plans to increase investment in the coming years which is likely to decrease the overall net yield unless gross yields can be increased.

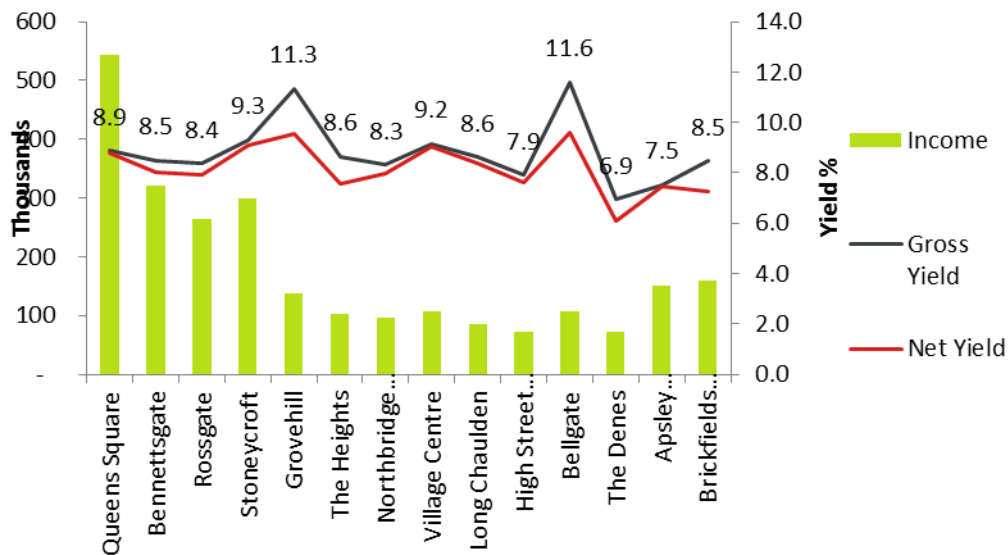
**Figure 18: Performance of the Investment Portfolio 2012/13**

	Number	Value (£M)	Income (£M)	Gross Yield %	Cost (£M)	Net Income (£M)	Net Yield %
14 Key Sites	392	28.733	2.517	8.8	0.139	2.377	8.3
The Rest	87	12.537	0.997	8.0	0.430	0.567	4.5
Total	479	41.271	3.514	8.5	0.570	2.944	7.1

2.23 Historically, the portfolio has performed well for the Council, with low void rates (under 2%) and a reliable annual income stream. Net income has been relatively strong in part because of low levels of investment in maintenance and obsolescence removal. This financial model, however, presents a long-term risk for the reasons set out above. As a result, the Council intends to increase planned maintenance to improve the stock condition and mitigate the risk of significant peaks in reactive maintenance and potential loss of tenants. Further work is required to understand how the forward maintenance plan will impact on reactive maintenance costs and future net income.

2.24 The primary purpose of the investment portfolio is to deliver income, so yield analysis is a key measure. Figure 19 shows the yield performance of the 14 major investment locations. Figure 20 shows the gross yield for the major property categories in the portfolio against the benchmark<sup>11</sup>.

**Figure 19: Performance of the Key Locations in the Investment Portfolio**



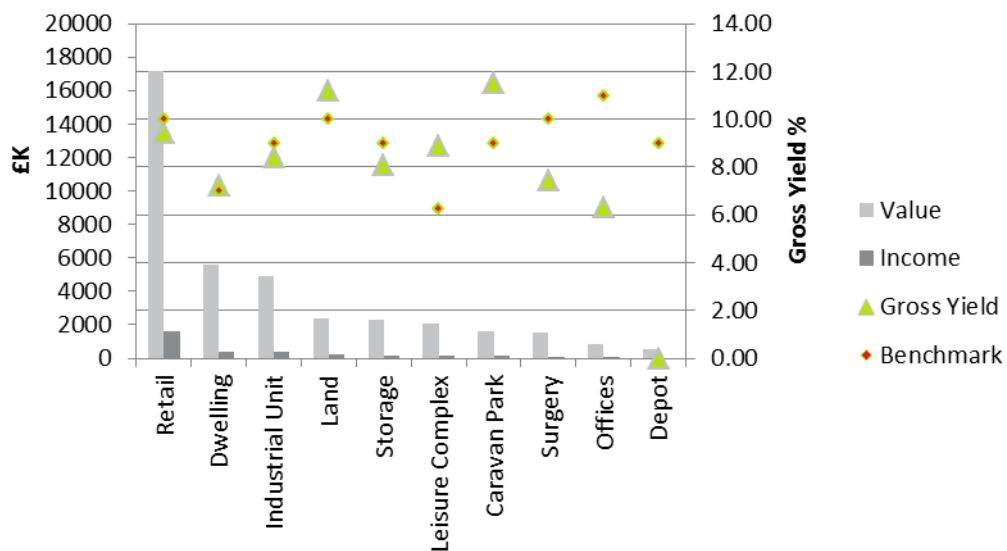
2.25 While local conditions will affect rental income, figure 19 indicates there is scope for the Council to address anomalies in returns between sites which have a similar balance of asset types. Market benchmarking also indicates there is scope for improved performance from the investment portfolio with focus required on:

<sup>11</sup> Knight Frank 2013 Secondary Yield Report

- Most of the shopping centres do not perform as well as the market indicators for secondary/tertiary retail yields of 10-11.5%, with particular focus required on The Denes, Bennettsgate, Rossgate, The Heights, and Long Chaulden.
- Performance of retail and industrial units, which comprise around half the portfolio, are lower than market levels, which are 10-11.5% for retail and over 10% for industrial units.

2.26 The Council has taken decisions about the type of occupier/tenant mix in some of the neighbourhood centres to sustain local services and meet community needs. The Property Management Board will need to be clear about the objectives of this type of facility going forward so there is an understanding of how the property performs against clear criteria.

**Figure 20: Market Value and Gross yield for all property over £500K in value**



2.27 While some assets types perform better than benchmark, if all property categories valued over £0.5M performed to benchmark, the Council would deliver in excess of £0.13M additional income per annum.

## Section 3 – Improving Financial Performance

### Introduction

3.1 There are numerous opportunities to improve the overall cost-effectiveness of the property portfolio and deliver improved financial performance for the taxpayer through:

- identifying surplus assets or scope for increased asset utilisation;
- cost reduction;
- increased income;
- maximising value from assets which are no longer fit for purpose.

3.2 Section 4 of this strategy recommends the formation of a Property Management Board, and it is suggested that its remit includes the development of these opportunities.

### Asset Utilisation

3.3 Operational. The new Public Sector Quarter at Hemel Hempstead, will release other assets for alternative use, such as The Bury, and the co-location of some other public and 3<sup>rd</sup> sector organisations will free up other assets they currently use. There is also scope to seek an improved return from the Berkhamsted Civic Centre/Depot location which offers limited operational value and is under-utilised.

3.4 Community Assets. Utilisation of community assets is hard to measure because of the absence of readily available usage data. It is clear that public conveniences are not currently used because they are closed, but there is limited evidence available on the usage of other asset types. The Council will aim to monitor usage in future, potentially in coordination with other public sector and 3<sup>rd</sup> sector organisations (see paragraph 4.12), to determine whether it may be possible to deliver the same community benefits from a reduced asset pool.

3.5 Garages. As set out at paragraphs 2.17-2.18, the large number of void garages presents a considerable opportunity to rationalise the number of garage assets to release garage sites for development.

3.6 Investment. The investment portfolio currently achieves a high occupancy rate of over 98%, so the key issue is to achieve improved returns and to sustain income levels.

### Maximising Value through Alternative Use/Disposal

3.7 Where there is no requirement for an asset to continue in its current form, there may be opportunities to change its use or else dispose of it, delivering a one off receipt in the case of a sale or a combination of lump sum payment and annual income where the freehold is retained.

3.8 Asset Development and Disposal Programme. The Council has already earmarked some assets for disposal, such as Hemel Hempstead Civic Centre, the Market Square and 39 and 41 The Marlowes, which will all be disposed of in the coming years.

3.9 Where other assets are not cost-effective to maintain in their current form, or else which present an opportunity to achieve an alternative community benefit or financial return, the Council will conduct Asset Development Reviews (ADRs) to identify scope to improve the utility of the asset or an intelligent approach to disposal. This is likely to apply to<sup>12</sup>:

- Paradise Depot;
- Lower Kings Road Car Park, Berkhamsted;
- Berkhamsted Civic Centre and Depot.

3.10 Garages. The significant number of surplus garages identified at paragraph 2.17 present an opportunity for the Council to pursue redevelopment of the sites, potentially in partnership with a development partner. The Council is exploring the best way to proceed with this pipeline of opportunities, and a strategy will be agreed in 2014.

3.11 Greenfield Development. The Council has focused on utilisation of brownfield sites to support targets for housing, but to deliver its target of 10,750 new homes by 2031 it recognises the need to undertake selective development of greenfield sites. Some of those are owned by the Council, and their development could be brought forward to ensure annual housing targets are met and provide an early financial return for the Council. A further option is to develop smaller packets of open brownfield land it owns in and around urban areas. A prerequisite to achieve this is the clear identification of these sites on the Council's GIS mapping system. The Council will complete this exercise and examine its property holdings to identify a pipeline of opportunities for site development.

3.12 Balance between Capital and Revenue. The Council has a number of opportunities to realise capital receipts through asset disposal. While these would help to support the capital programme, the Council will also weigh up the benefits of alternative approaches whereby it retains some share of the future revenue benefit delivered by the asset. On a case-by-case basis it will carefully consider the merits of retaining some equity to support long term revenue generation.

### **Cost Management**

3.13 Asset Maintenance: The Council will focus on reducing its long-term asset maintenance costs through:

---

<sup>12</sup> The Bury is not included as the Council is assessing the feasibility of supporting a museum from this asset



- i. Proactive Maintenance Scheduling. The Council carried out a full stock condition survey in 2011 enabling it to plan a proactive maintenance schedule, which is key to addressing obsolescence, and sustaining the quality and condition of its properties. The survey should enable more accurate forecasting of future budget requirements and should in time help reduce the level of reactive maintenance, which tends to be more expensive. It also reduces the risk that under-investment will lead to a spike in maintenance costs in due course or a loss of income should assets no longer be deemed fit for purpose.
- ii. Better Cost Recovery. There is scope for the Council to improve cost recovery from tenants through improved service charging, and dilapidation settlements, and potentially through changing lease terms:
  - a. Service Charges. Many investment portfolio leases include terms for service charging, but they have not historically been enforced as well as they could be, leaving the Council to bear maintenance charges. The Council will work to ensure that future costs are recovered from tenants.
  - b. Delapidations. The Council does not have a high turnover of tenants, but where assets are vacated it will ensure costs are recovered for bringing assets back up to standard after use.
  - c. FRI Leases. The Council employs Internal Repair terms on many investment and community asset leases, and the Council will review what additional cost benefit it might derive from Full Repair and Insuring Leases, beyond the benefits delivered from a more effective service charge regime. For community assets, the impact of these additional costs will need to be considered against other priorities for those assets.

3.14 Contract procurement: Joining with partner organisations to articulate common requirements enables increased commercial leverage with suppliers. The procurement of a new housing maintenance contract scheduled to take effect from July 2014 may also allow for building services to utilise the contractor to support its assets, which would deliver greater economy of scale for the Property portfolio in particular. More widely, the Council will ensure that the scope for partnering in maintenance contract procurement, whether within the Council or with wider partner organisations, is considered as part of all future procurement processes.

3.15 Transfer of Community Assets: The maintenance of some of the Council's community assets results in a significant net cost to the Council, notably the Community Centres. In 2012/13, the net cost to the Council was £0.116M, as a result of peppercorn rents and the expense of internal repairs. While effort is being made to raise rents in a modest way and to transfer the terms of leases to Full Repair and Insuring leases, this is unlikely to address fully the level of cost currently sustained, and it might prove more cost-

effective in the long-term to explore the transfer of the assets to local community associations if they are willing to take them on.

3.16 Improved Energy Management. The Council has already taken steps, primarily on its operational estate, to capture performance information on energy, water and paper consumption, and has undertaken some limited projects as at Cupid Green to install more energy-effective technology. The Council will consider a wider programme of energy efficiency for those assets for which it currently pays the utility charges, where there is a clear business case to do so.

### **Increasing Income**

3.17 Increasing income is the other key lever to improve financial performance. The Council is pursuing a number of routes to do this:

3.18 Transfer of HRA Assets to the General Fund: The Council's Cabinet has recommended to Council the transfer of a number of Investment Properties from the Housing Revenue Account which will align income with management of the assets and increase annual income to the General Fund by £0.17M.

3.19 Rent Reviews. The Council has made good recent progress in using rent reviews to secure an increase in yields on the invest portfolio but the analysis<sup>13</sup> at paragraphs 2.25-2.26 indicates there is scope for further improved returns in a number of locations and against some asset types. The Council will take a proactive approach to its rent reviews to address discrepancies in yields, recognising that local conditions and the Council's own role in the community will have a bearing on the extent to which additional income is secured.

3.20 Below market rent. The Council currently offers below market rent on some of its investment portfolio assets to a range of public sector and 3<sup>rd</sup> sector organisations which collectively amount to £0.1M of annual income. While individual decisions have been taken deliberately by the Council over many years, the collective impact has never been recognised, and inconsistencies remain in the approach to public sector and 3<sup>rd</sup> sector partners as many other public and 3<sup>rd</sup> sector organisations pay full market rent. As a result, the Council will review its overall policy to ensure there is a co-ordinated approach to such decisions, and where possible ensure such organisations are supported from operational and community assets, so investment assets can be used for the purpose they were intended.

3.21 Business Rates and Council Tax. Converting assets to support economic growth or housing development will increase income if the expected business rate retention or Council Tax returns outweigh any loss in revenue.

---

<sup>13</sup> Assuming all sites are either secondary or even tertiary in quality and conducted against Knight Frank's 2013 Secondary Yield Report

3.22 Fees. The Council has taken a deliberate decision to keep the level of car parking charges amongst the lowest in Hertfordshire, and more generally aims to encourage use of facilities through its fees policy. Nevertheless, the Council will review its fees structure for use of its facilities against market rates and the annual asset costs to ensure they are appropriate.

3.23 Car Parks. Evidence suggests that there is a shortage of car parking space in Berkhamsted which the Council is well-placed to address through development of its Lower Kings Road site. The Council has allocated funding within its capital programme to develop a multi-storey car park on this site.

3.24 The measures proposed here will impact on financial performance but further work is required to establish the precise financial benefit and timing. This work will support future iterations of the Medium Term Financial Strategy. Annex A sets out a delivery plan for these actions and others covered in Part Four.

## Section 4 - Creating the Framework for Long Term Success

### Introduction

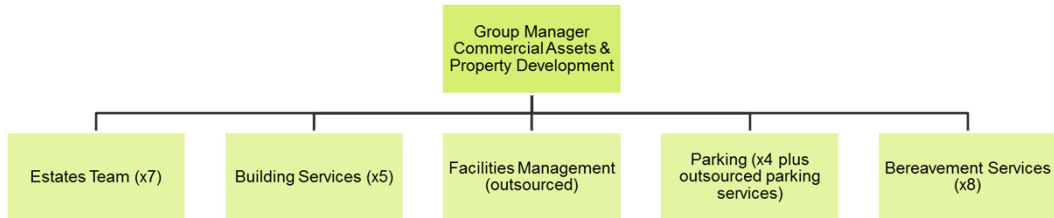
4.1 If the Council is to deliver sustained improvement in the management of its property portfolio it must create the right enablers for long –term success including:

- A fit-for-purpose operating model for property
- Improved governance
- Delivery of appropriate management information and performance reporting
- A more deliberate approach to partnering

### Property Operating Model

4.2 The Council currently retains direct responsibility for management of the whole of its property portfolio. Day to day management, other than for garage stock which is managed by the housing team, is the responsibility of a small team which sits under the Group Manager Commercial Assets and Property Development.

Figure 21: The Current Property Team Structure



4.3. The Council plans to undertake a review of its property operating model to address a number of areas in which it seeks improvements to the management of its portfolio:

- a. Clear Role. There is currently limited clarity over internal ownership of community and operational assets, with no clear responsibilities set out for articulating the property requirements needed to support service delivery and the achievement of corporate priorities and objectives. In many instances, the Group Manager Commercial Assets lacks a clear internal asset owner with whom he can discuss relative prioritisation of future plans and resourcing. The Council will aim to develop such an intelligent ownership/client function, to ensure that there is clear responsibility, supported by appropriate expertise from the property team, for setting out resourcing priorities against which the Group Manager can align property expenditure. In effect, this will allow the Group Manager to take on a clearer corporate landlord role centred on

meeting the needs of internal clients. Without such a distinction between requirement owner and the Group Manager, it will be difficult to optimise performance because the property team is not well placed to determine service requirements for property. The Council will also clarify responsibilities where different services interface, such as between Environmental Services and the property team over parks and open spaces.

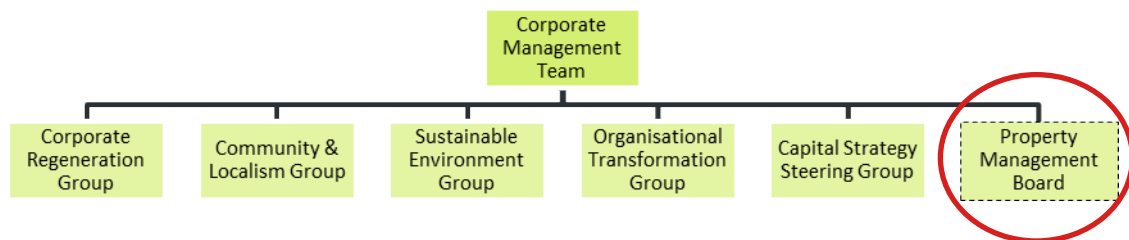
- b. Internal Coordination. The Council employs separate teams to run its property portfolio and its housing stock, with separate annual financial reporting for each portfolio. The Council will continue with this model but will look to make better use of synergies, expertise and best practice between the two areas where this will enable the Council to improve its commercial approach. The Council will review the capabilities, capacities and interfaces between the teams to ensure it has a clear understanding of future opportunities for closer collaboration, such as more effective deployment of niche expertise, sharing resource to address peak workloads, and shared approaches to contracting.
- c. Business as Usual/Project Balance. The current operating model makes no distinction between management of 'business as usual' operations and discrete, time-bound projects which can be of strategic importance to the Council. It relies on the property team to balance the priorities. Sections One and Three of this strategy set out a growing pipeline of project-based work for the property team to support Council priorities objectives, which must be achieved while addressing areas for improvement in the day-to-day management of the property portfolio. The Council will review the current approach, because failing to achieve the right balance can lead to:
  - slippage in the capital programme
  - failure to carry out planned maintenance
  - loss of income
  - delays to key project activity
  - inappropriate staff work loads
- d. Use of External Expertise. The Council already makes significant use of external resource to meet building service requirements and is exploring the use of private sector partners to deliver its plans for Hemel Hempstead town centre and to develop surplus garage sites. As part of the review of the operating model, the Council will look to identify the skills and capabilities it should provide in-house in the future and those which it should aim to procure from outside. The property team provides a very good service to the Council, but given its size it cannot be expected to resource all the capabilities required and there may also be a need to provide short-term resourcing to augment the delivery of projects.

- e. **Online Services.** The review will also explore scope for the Council to explore making better use of online services to support the property team. Improving online access to book facilities such as allotments, sports pitches, caravan pitches could enhance service delivery to the public while enabling scarce resource to be prioritised onto other property management tasks. Research<sup>14</sup> indicates that online transactions can be 20 times cheaper than by phone, 30 times cheaper than face-to-face and up to 50 times cheaper than by post.

## Governance

4.4 The performance of the property portfolio is important to both the financial position of the Council and achievement of strategic priorities, but under the Council's current management structure there is no dedicated forum for discussion of property-related matters. Specific investment proposals are raised to the Capital Strategy Steering Group, and decisions affecting Dacorum's property assets may be raised at other Corporate Groups (see figure 22, below) or the Corporate Management Team, but there is no regular, overarching governance process for property.

**Figure 22: Incorporating a Property Management Board into the Current Corporate Group Structure**



4.5 The Council intends to put in place a Property Management Board, which meets regularly and involves key senior stakeholders (see figure 23 for membership). Its role will include:

- Establishing clear property objectives and targets to underpin long-term improvement in the performance of the property portfolio;
- Monitoring performance reporting;
- Holding individuals to account for delivery against responsibilities;
- Identifying strategic opportunities to use assets to support corporate priorities;
- Ensuring evidence-based value for money decision-making where property is concerned;
- Identifying how to improve the long-term financial management of the portfolio;
- Identifying and recommending surplus assets for disposal.

4.6 Terms of reference will be established to support the work of the Board. It will be expected to report its key findings and recommendations to the Corporate Management Team, and update Cabinet on performance and key

<sup>14</sup> GOSS Interactive: Public Sector Channel Shift Strategies Survey Report 2013

issues. The Board will co-ordinate its activity and decision-making with other key corporate decision-making forums such as the Regeneration and Affordable Housing Group to ensure the Council is able to maintain a coherent approach.

**Figure 23: Membership of the Property Management Board**

<b>Position</b>	<b>Role</b>
Corporate Director Finance and Operations	Chair and S151 Officer
Assistant Director Finance and Resources	Advice on finance and resource impact and relative financial priority of projects
Assistant Director Neighbourhood Delivery	Support to Clean and Safe Environment and Community Capacity priorities
Assistant Director Performance and Projects	Performance reporting and coherence with other project themes
Assistant Director Housing	Support to Housing priorities and internal coordination of asset management
Assistant Director Planning, Development and Regeneration	Asset support to regeneration priorities
Group Manager Commercial assets and Property Development	Day to day management of property assets and asset-focused projects

### **Management Information and Performance Reporting**

4.7 Good governance is underpinned by complete and reliable management information, which is a fundamental pre-requisite for effective asset planning and management. It enables an understanding of the performance of the portfolio and where there are opportunities to improve, and facilitates sound decision-making. It also allows benchmarking of performance against public and private sector standards and transparent reporting of performance.

4.8 The Council currently employs four information systems (see figure 24) to support asset management decision-making, which store large amounts of data. Nevertheless, there are gaps in the information held and extracting management information can be difficult. The systems are also not configured to deliver appropriate performance information such as yield analysis for the investment portfolio, and performance reporting more generally is limited.

**Figure 24: Property Management Information Systems**

<b>System</b>	<b>Purpose</b>
<b>Agresso</b>	Records financial performance information to support budget preparation, in-year financial management and balance sheet preparation.
<b>Asset Net</b>	A CIPFA system which records specific property data for property portfolio (including garages), expected rental income, and future plans for asset maintenance
<b>Orchard</b>	Records specific property data for garages and housing stock
<b>GGP GIS</b>	Geographical information mapping

4.9 There are a number of improvements that the Council will focus on to improve the management information used to support property asset management:

- a. Management Information Requirements. The Council holds a wide range of assets with different performance drivers, but there is no clear requirement setting out what information needs to be collected to support effective decision-making for each. The Property team and Finance team will work together to establish baseline information requirements against which current systems and information collation processes can be validated.
- b. Information Reports. The second key challenge is to present information in a way that is useful to property managers. Providing managers with easy access to day to day reports helps focus on issues and exceptions. Examples include debt arrears, rent review schedules, yield reports, and maintenance spend versus budget. The Council will explore the scope to improve the reporting available to property managers.
- c. Performance Targets/KPIs. The Property team reports voids and debt arrears against the investment portfolio as part of the corporate performance reporting regime, but is not required to report any other performance information. Reporting needs to be extended to cover the performance of the whole property portfolio. This should be synthesised into a performance dashboard which can be used by the property team and the Property Management Board to monitor delivery against key targets. Further work is required to develop the precise performance reporting criteria, which needs to be simple to maintain and focused on key deliverables, but an example is provided at Annex B.
- d. Property Costs. While information can be transferred from Agresso to Asset Net, it remains difficult to establish property cost information for categories of assets or individual assets, and to fuse financial and non-



financial property information. Further work is required to scope how to improve the alignment between Agresso and Asset Net to provide property managers with better drill-down information capability.

- e. Single source for all asset information. Property managers require accurate and consistent information. The use of numerous information systems creates the risk that different users input different information on different systems at different times. For instance, Orchard and Asset Net indicate different figures for the garage inventory. It is also important to ensure that information is updated in a timely manner. The Council will look to remove inconsistencies through improved information management processes.
- f. Geographical Mapping. Many of the Council's assets are mapped on the Council's geographical information system but there are some land assets which are not. Understanding the totality of the assets the Council owns is important if it is to identify opportunities to release sites for development. The Council will ensure all assets are added to the system as a first step in identifying opportunities.

### **Working with Partners**

4.10 With increasing pressure on budgets across the public sector, there is growing interest in collaboration across organisations to find efficiencies and deliver more effective ways of working.

4.11 The Council is already working with other public sector organisations on the Hertfordshire Property Steering Group (HPSG), which is chaired by the County Council, to support opportunities for more effective collaboration. Initiatives it is engaged in include:

- i. Engaging in the Group's initiative to geo-map public sector organisations' properties across the County as a prerequisite for identifying the scope for rationalisation and more joined up public sector working, albeit this process does not enable sharing of broader property management information;
- ii. Participation in cross public-sector locality reviews in Berkhamsted and Tring;
- iii. The Council's own plans for a new Public Service Quarter involve the County Council, West Hertfordshire College, the police and a number of third sector organisations and the County Council views it as an excellent example of the cooperation the HPSG is trying to engender.

4.12 There may be further opportunities for more effective working with public sector partners:

- i. Further Sharing of Estate: Increasingly organisations are looking to provide more integrated service delivery. There may be opportunities

for the Council to work more closely with partner organisations, including those in the 3<sup>rd</sup> sector, to achieve better outcomes or else reduce the associated overheads. One clear benefit might be the improved use of space to support multiple organisations thereby freeing other assets for alternative use or disposal. The Council will look to apply particular focus where assets are maintained at a significant net expense or else poorly utilised. The result may be more intense use of Council assets with benefit being delivered elsewhere in the public or 3<sup>rd</sup> sector and local discussions would be required on how such benefits are distributed.

- ii. Shares services or expertise: The sharing of services could mean the joining up of property management functions across organisations to achieve economies of scale. Alternatively, it could mean the provision of more discrete specialist services by one organisation on behalf of another, or the joined up provision of such a service. An example might be the running of a common cross-Hertfordshire property management information system.
- iii. Joined up procurement<sup>15</sup>: A joined up approach to procurement of professional real estate and FM services might deliver economies of scale that are not achievable where organisations work on their own. The Council is exploring more joined service procurement across its own property and housing portfolios and it has already taken advantage of the County Council's FM service contract to achieve a value for money result. In future, it will ensure that options to collaborate with other public sector partners are considered as part of the procurement process.

---

<sup>15</sup> Hertfordshire Police has saved several million pounds since 2007 through collaborative procurement



## Annex A – Delivery Plan

No.	Project	Action	Owner	Timescale	Benefit Measurement	Priority Affected
<b>Asset Utilisation and Value Maximization</b>						
1	<b>Public Service Quarter and Market Square</b>	<ul style="list-style-type: none"> <li>Creation of a modern public service quarter in Hemel Hempstead town centre, release of surplus public sector land at civic centre and Market Square for economic regeneration and housing</li> </ul>	Mark Gaynor/Mike Evans	2017	<ul style="list-style-type: none"> <li>Reduced space usage</li> <li>Reduced running cost</li> <li>Additional capital receipts/revenue</li> <li>New housing</li> <li>New economic space and jobs</li> <li>Customer satisfaction with service delivery</li> </ul>	Affordable Housing, Regeneration, Dacorum Delivers
2	<b>Land at Maylands</b>	<ul style="list-style-type: none"> <li>Sale of Council land at Maylands to support business development</li> </ul>	Mark Gaynor/Mike Evans	2015	<ul style="list-style-type: none"> <li>Additional capital receipt/revenue</li> <li>New economic space and jobs</li> </ul>	Regeneration, Dacorum Delivers
3	<b>Garage Portfolio Review</b>	<ul style="list-style-type: none"> <li>Review garage sites to determine scope to consolidate sites</li> <li>Determine preferred route for development eg) development partner</li> <li>Identify impact on garage maintenance costs, and identify preferred mode of maintenance delivery</li> </ul>	James Deane/Andy Vincent	By June 2014 By end 2014 By end 2014	<ul style="list-style-type: none"> <li>Reduced voids</li> <li>Additional affordable housing</li> <li>Reduced garage maintenance costs</li> <li>Additional capital receipts/revenue</li> </ul>	Affordable Housing, Dacorum Delivers

4	<b>The Bury</b>	<ul style="list-style-type: none"> <li>Prepare The Bury for change of use, ensuring Council liabilities are minimized</li> </ul>	Mike Evans	2015	<ul style="list-style-type: none"> <li>Reduced running costs</li> <li>Revenue</li> <li>Improved utilisation</li> </ul>	Community capacity
5	<b>Asset Development Reviews to identify potential development value &amp; Disposals</b>	<ul style="list-style-type: none"> <li>Conduct Asset Development Reviews on: <ul style="list-style-type: none"> <li>Berkhamsted Civic Centre/Depot</li> <li>Paradise Depot</li> <li>Lower Kings Road Car Park</li> <li>Public conveniences</li> <li>39 and 41 The Marlowes</li> </ul> </li> </ul>	Mike Evans	By end 2014	<ul style="list-style-type: none"> <li>Reduced running cost</li> <li>Release of capital value</li> <li>Increased revenue</li> </ul>	Dacorum Delivers, Regeneration
6	<b>Community Asset Usage</b>	<ul style="list-style-type: none"> <li>Establish community asset utilization monitoring</li> <li>Liaise with other public sector organizations to determine scope for shared asset use</li> </ul>	Julie Still/Mike Evans	Set up monitoring regime by end 2014	<ul style="list-style-type: none"> <li>Community usage</li> <li>Potential to reduce Dacorum and wider public sector costs</li> </ul>	Community Capacity, Dacorum Delivers
<b>Increasing Income</b>						
7	<b>Below market rents</b>	<ul style="list-style-type: none"> <li>Establish a clear and consistent Council policy to supporting public and 3rd sector organisations</li> <li>Identify opportunities to move public/3rd sector partners from investment portfolio assets to use community/operational assets</li> </ul>	Martin Hone	By September 2014  Ongoing	<ul style="list-style-type: none"> <li>Increase revenue</li> </ul>	Dacorum Delivers

<b>Governance</b>						
8	<b>Property Management Board</b>	<ul style="list-style-type: none"> <li>Establish terms of reference</li> <li>Agree programme of work</li> <li>Establish performance reporting mechanisms</li> </ul>	Martin Hone	By March 2014	<ul style="list-style-type: none"> <li>Improved visibility</li> <li>Improved performance</li> </ul>	Dacorum Delivers
<b>Management Information</b>						
9	<b>Undertake a mgmt information review</b>	<ul style="list-style-type: none"> <li>Establish clear MI collation and reporting requirements</li> <li>Establish improved performance reporting regime</li> <li>Identify actions to improve mgmt. information system support and process improvements</li> </ul>	Mike Evans	By March 2014		Dacorum Delivers



## Annex B – Indicative Performance Dashboard Report

Performance Dashboard							
<b>Operational Assets</b>	Target	Current	Comment	<b>Key Projects</b>	Key Milestones	RAG Status	Comment
No of properties		18		Old Town Hall			
Total Value (£M)		16.462		Public Sector Quarter			
Space/FTE	10			Maylands			
Cost/FTE (£)	4900			Jarman Park			
Cost/sqm	310			Tring Depot			
In-year maintenance spend (£) v budget	eg 1st qtr budget	eg 1st qtr spend		Garages			
Surplus space/sqm							
<b>Investment Portfolio</b>	Target	Current	Comment	<b>Energy Use on Operational Assets</b>	Units v Plan	Cost v Budget	Comment
Total Number of Properties		479		Gas	5.20%	-0.30%	
Total Value (£M)		41.271		Electricity			
Voids	10%	2		water			
Annualised Rental Income (£M)		3.514		Paper			
Gross Yield (%)		8.50%		Waste			
Maintenance spend v budget	eg 1st qtr budget	eg 1st qtr spend		Renewable			
<b>Garages</b>	Target	Current	Comment	<b>Property management</b>	Target	Current	Comment
Total Number		7886		Staff vacancies		2	
Total Value (£M)		17.4		No of online transactions		455	
Voids		1877		Rent reviews outstanding	0	6	
Annualised Rental Income (£M)		2.441		Leases on holdover	0	20	
Maintenance spend v budget	eg 1st qtr budget	eg 1st qtr spend		Planned maintenance projects outstanding	0	2	
Number of vacant sites				Delapidation settlements outstanding	0	3	
<b>Community</b>	Target	Current	Comment	Property voids		2%	
No of Assets		286		Service charge arrears		£value	
Value		48.021		Rental debt arrears		£value	
Income v budget							
Maintenance spend v budget	eg 1st qtr budget	eg 1st qtr spend					