



# HOUSING AND COMMUNITY OVERVIEW AND SCRUTINY COMMITTEE AGENDA

*Scrutiny making a positive difference: Member led and independent, Overview & Scrutiny Committee promote service improvements, influence policy development & hold Executive to account for the benefit of the Community of Dacorum.*

**28 JANUARY 2015 AT 7.30 PM**

**BULBOURNE ROOM, CIVIC CENTRE, HEMEL HEMPSTEAD**

The Councillors listed below are requested to attend the above meeting, on the day and at the time and place stated, to consider the business set out in this agenda.

Adeleke	N Hollinghurst
Adshead	Killen
Mrs Bassadone	Mahmood (Vice-Chairman)
Conway	Marshall (Chairman)
Flint	McLean
Hearn	R Sutton

Co-Opted Members: M Cook, J Howard, A Horn

Substitute Members: Councillors G Chapman, Clark, Harris, Rance and Wixted

For further information, please contact Kayley Johnston on Tel: 01442 228226, or Email: [Kayley.Johnston@dacorum.gov.uk](mailto:Kayley.Johnston@dacorum.gov.uk). Information about the Council can be found on our website: [www.dacorum.gov.uk](http://www.dacorum.gov.uk).

## PART I

Item No.		Page No.
1.	Minutes	2
2.	Apologies for Absence	2
3.	Declarations of Interest	2
4.	Public Participation	2
5.	Consideration of any matter referred to the committee in relation to call in	2
6.	Mobility Scooter Report	3
7.	Local lettings Plan	11
8.	Housing Asset Management Strategy Update <i>(Short presentation to support the report and that there will be representatives from Osborne attending to assist.)</i>	17
9.	Exclusion Of The Public	41
*****Part 2*****		
10.	Asset Management & Contractual Performance	42

## **1. MINUTES**

To agree the minutes of the meeting held 10 December which can be viewed at:

[http://www.dacorum.gov.uk/docs/default-source/council-democracy/housing-and-community--14-10-12---final-minutes-\(pdf-159kb\).pdf?sfvrsn=0](http://www.dacorum.gov.uk/docs/default-source/council-democracy/housing-and-community--14-10-12---final-minutes-(pdf-159kb).pdf?sfvrsn=0)

## **2. APOLOGIES FOR ABSENCE**

To receive any apologies for absence

## **3. DECLARATIONS OF INTEREST**

To receive any declarations of interest

A member with a disclosable pecuniary interest or a personal interest in a matter who attends a meeting of the authority at which the matter is considered-

- (i) must disclose the interest at the start of the meeting or when the interest becomes apparent

and, if the interest is a disclosable pecuniary interest, or a personal interest which is also prejudicial

- (ii) may not participate in any discussion or vote on the matter (and must withdraw to the public seating area) unless they have been granted a dispensation.

A member who discloses at a meeting a disclosable pecuniary interest which is not registered in the Members' Register of Interests, or is not the subject of a pending notification, must notify the Monitoring Officer of the interest within 28 days of the disclosure.

Disclosable pecuniary interests, personal and prejudicial interests are defined in Part 2 of the Code of Conduct for Members

[If a member is in any doubt as to whether they have an interest which should be declared they should seek the advice of the Monitoring Officer before the start of the meeting]

## **4. PUBLIC PARTICIPATION**

An opportunity for members of the public to make statements or ask questions in accordance with the rules as to public participation

## **5. CONSIDERATION OF ANY MATTER REFERRED TO THE COMMITTEE IN RELATION TO CALL IN.**



## AGENDA ITEM: 6

### SUMMARY

<b>Report for:</b>	<b>Housing &amp; Communities Overview &amp; Scrutiny Committee</b>
<b>Date of meeting:</b>	<b>28 January 2015</b>
<b>PART:</b>	<b>1</b>
If Part II, reason:	

<b>Title of report:</b>	<b>Mobility Scooter Policy</b>
<b>Contact:</b>	Cllr M Griffiths, Portfolio Holder for Housing  Simon Smith, Asset Team Leader, Property & Place, Housing and Regeneration
<b>Purpose of report:</b>	1. To update the Committee on the draft revised Policy and method of review
<b>Recommendations</b>	1. That the Committee provide feedback on the draft revised Mobility Scooter Policy
<b>Corporate objectives:</b>	Affordable Housing
<b>Implications:</b>	<u>Financial</u>  Provision of purpose built, safety compliant scooter storage will be met from the Aids and Adaptations capital budget
<b>'Value For Money Implications'</b>	<u>Value for Money</u> Dealing with Mobility Scooter issues effectively and consistently will ensure that the appropriate level of resource is devoted to ensuring effective service delivery. Without an effective policy and procedure the likelihood of significant additional resources being devoted to Mobility Scooter problems is possible.  The effective use of resources being devoted to Mobility Scooter issues ensures value for money for tenants.

Risk Implications	<p>By developing a policy and ensuring that there is a consistent approach when dealing with Mobility Scooter issues will minimise the risk to the Council and Housing Landlord Service. Failure to adhere to this policy could result in Tenants, Staff and visitors to HRA assets being at risk of Health &amp; Safety breaches including fire, trip hazards and damage to HRA assets</p> <p>Risk Assessments were completed during the Sheltered Housing review project in 2013/2013</p>
Equalities Implications	The Policy enables those in need of a mobility scooter living in Council accommodation the ability to store it safely and enhance the quality of life of the user at no risk to others.
Health And Safety Implications	Mobility Scooters can combust without warning. They need to be stored in areas that are compliant with fire risk precautions and must be easily accessible to the users of the stores.
Consultees:	<p>Compliance/Risk and Health and Safety Officer, Housing and Regeneration</p> <p>Hertfordshire Fire and Rescue Service</p> <p>DBC' Fire Safety Consultant</p> <p>Supported Housing Forum</p> <p>Portfolio Holder for Housing</p> <p>Chair of Housing and Communities Overview and Scrutiny Committee</p> <p>Councillor McKay</p> <p>Chair of Tenants and Leaseholders Committee</p> <p>Director of Housing and Regeneration</p> <p>Assistant Director of Housing</p> <p>Group Manager, Property and Place</p> <p>Group Manager, Tenancy and Leasehold</p> <p>Supported Housing Manager, Housing &amp; Regeneration</p> <p>Asset Team Leader, Housing and Regeneration</p> <p>Team Leader Tenant and Leasehold</p>
Background papers:	Mobility Scooter Policy
Glossary of acronyms and any other abbreviations used in this report:	HRA – Housing Revenue Account

## 1.0 Background

The Sheltered Housing Review and the adoption of a clear landings policy in Sheltered Housing highlighted the growing issue of Mobility Scooter storage in both Sheltered Housing and General Needs Housing.

Mobility Scooters are becoming more popular with tenants and residents of HRA stock and where to store them safely in compliance with Fire Risk assessments and Health and Safety matters has become a major concern.

The development of a Mobility Scooter Policy ensures the approach taken by Dacorum Borough Council in assessing the individual requests from tenants for Mobility Scooter storage is consistent and fair. The aim of this policy is to protect the safety of all residents, visitors, staff and contractors in DBC Housing premises whilst not restricting a person's independence.

## **2.0 Amendments to the Mobility Scooter Policy**

The original Mobility Scooter policy discussed at the 11 September 2013 Housing and Communities Overview and Scrutiny meeting has been amended to reflect the concerns from tenants, members and officers that the original policy was too rigid in its tone and interpretation. The revised draft policy is designed to make every effort to provide safe and suitable storage at every location that is feasible for such storage.

Following consultation with tenants, members and staff it is acknowledged that the original policy did not allow enough scope for installing mobility scooter storage at every site. Officers have since revisited each of the Supported Housing Schemes and will produce a program to install communal stores where feasible.

Financial provisions have been made in the 2015/16 HRA Budget for this program, there is also a budget for individual stores where communal stores are not feasible to install.

The annex on the original policy has been removed. The intention in the revised policy is to put in storage wherever it is possible both physically and financially. Some sites may only be suitable for one or two individual storage solutions; others will be suitable for communal storage facilities.

The revised policy no longer has the proficiency test criteria although it does strongly recommend any mobility scooters purchased are done so from a reputable company and that thorough instructions are given to the purchaser on the use of the mobility scooter.

## **3.0 Methodology in producing the amended policy**

Following the adoption of the original policy further consultation was conducted with Supported Housing Officers and Housing Officers Tenancy who were concerned with elements of the Mobility Scooter Policy.

Consultation was then extended to the Supported Housing Forum and three members of the forum were invited to a meeting with Housing Officers to seek their views on the policy and any amendments they felt were required.

The new draft policy containing amendments was then consulted on with senior Housing Managers, Councillors and members of this committee. The policy was revised and amended following this consultation to be presented to this committee for further feedback.

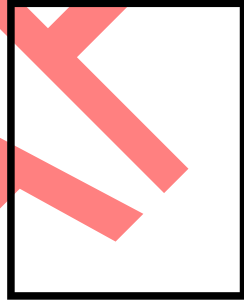
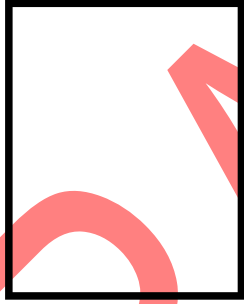
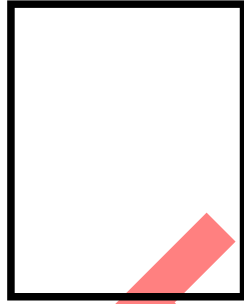
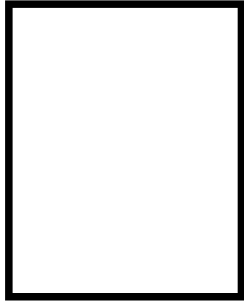
**Housing Service**

**DRAFT**

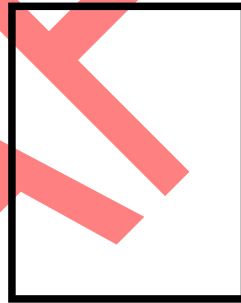
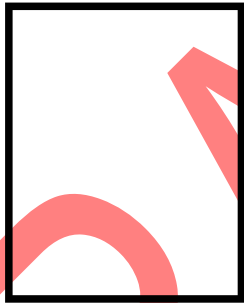
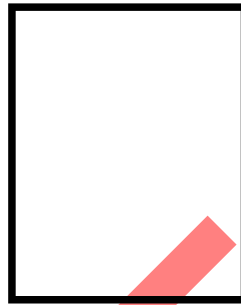
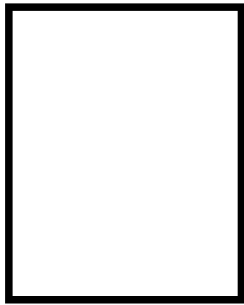
**Mobility Scooter Policy For**

**Housing Revenue Account Assets**

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Signed: \_\_\_\_\_

Portfolio Holder. \_\_\_\_\_



# **MOBILITY SCOOTER POLICY**

## **1.1 Introduction**

This policy applies to current tenants, applicants, transferred tenants and mutual exchanges.

Dacorum Borough Council (DBC) recognises that a number of its tenants/leaseholders need to use a mobility scooter to allow them to be fully mobile and live independently. The Council will make every effort to provide safe and suitable storage for mobility scooters where space and practicality allow, however there may be some places where it is not possible to provide such storage.

There have been a number of fires caused by mobility scooters and it would be unsafe to allow them to be left in the corridors of our sheltered schemes as this would seriously prejudice escape in the case of fire. Both users of mobility scooters and the Council need to be aware of the potential risks involved. As a landlord, DBC has a duty to ensure residents comply with all the requirements placed on them by the council relating to the storage and use of their mobility scooters whilst on Housing Land.

The aim of this policy is to protect the safety of all residents, visitors, staff and contractors in DBC Housing premises whilst not restricting a person's independence.

## **1.2 Fire Risk**

To comply with the Regulatory Reform (Fire Safety) Order 2005, DBC carries out Fire Risk Assessments at Sheltered Housing Schemes and general needs blocks. The increasing presence of mobility scooters in DBC buildings has become apparent and requires management. Section 1.3 details the classes and regulations that apply to these vehicles.

Government fire safety recommendations state that escape routes must not be compromised by items that could act as a source of ignition or trip hazard. DBC has adopted a "zero tolerance" approach and has implemented a clear landings policy and procedure to manage this effectively. Hertfordshire Fire and Rescue Service and DBC's fire safety consultant have advised that mobility scooter storage and charging should not be permitted in escape routes. The fire service has the right to issue enforcement notices if these conditions are not met.

When mobility scooters are stored and charged in internal communal areas this places an unacceptable risk to occupiers, visitors, staff and contractors. Mobility scooters present a potential source of ignition and increased fire loading. If involved in fire they can release large amounts of highly toxic smoke and gases. A fire in a mobility scooter could affect the means of escape and place an unacceptable risk to all occupiers within the building. The Regulatory Reform (Fire Safety) Order 2005 would expect such risks to be mitigated. Therefore storage of scooters is prohibited in communal areas of DBC buildings.

None of DBC's existing council housing stock was originally designed or adapted to accommodate the safe storage, charging and use of mobility scooters. Storage in the lift, internal communal areas or flats is not permitted.

## **1.3 Types of vehicles included in this policy**

Powered scooters are defined as “invalid carriages” under the Use of Invalid Carriages on Highways regulations 1988. Before purchasing a mobility scooter from a reputable supplier, users should undergo training on the usage and control of the scooter. This should be provided by the company selling the scooter. Regulations separate these vehicles into three classes:

- **Class 1** – manual or electrically powered wheelchairs – this policy does not apply to these as they can be taken into tenant’s properties;
- **Class 2** - machines designed for use on the pavement, travelling at a speed of up to 4mph. They may also be used on the road to cross from one pavement to another or where no pavement is available.
- **Class 3** – applies to machines that can be used both on the pavement where, like class 2 vehicles, they are limited to 4mph and on the road where they can travel at up to 8mph. These vehicles are required by law to be registered with the DVLA for road use. These vehicles will be licensed in the disabled taxation class Class 3 vehicles can only be used by a disabled person aged 14 or over. Users must have insurance and be registered with the DVLA if their vehicle is in class 3.

## **2.0 Existing tenants who request a mobility scooter after introduction of this policy**

### **2.1 Supported Housing tenants**

**Stage 1:** Tenants who request a mobility scooter will need an initial assessment by an Occupational Therapist (OT). The assessment must be carried out before a scooter is purchased. DBC will pay for this assessment.

**Stage 2:** If the OT assessment indicates a need for a scooter the request will be referred to the Housing Officer Tenancy (HOT) who will check if storage is available at their scheme. The HOT will manage a waiting list with places to be allocated on a first come first served basis, places cannot be handed to tenants by other tenants giving up their place . When a scheme has no further storage capacity, no more requests will be granted until another space becomes available. If storage is available, the tenant’s request for a mobility scooter can be granted.

**Stage 3:** The tenant’s scooter must be serviced annually. The tenant is responsible for the annual servicing costs. A copy of the annual service report must be provided to the HOT if requested.

Some Supported Housing Schemes are not suitable for mobility scooters due to a lack of space or location. In these cases tenants who are assessed as needing a scooter will be offered the opportunity to transfer to alternative accommodation where they can store their scooter.

### **2.2 General Needs tenants:**

There is no provision for scooter storage in general needs properties and due to layout or other reasons the Council cannot offer a right to store them. DBC will work with these tenants to find safe storage, in accordance with “The procedure for allocating safe storage locations for mobility scooters.”

**Stage 1:** Tenants in general needs properties who request a mobility scooter once the policy has been introduced will need to be assessed by an Occupational Therapist (OT) before purchasing a scooter. DBC will pay for this assessment.

**Stage 2:** If an OT assessment indicates a need for a scooter the request will be directed to the Aids and Adaptations Surveyors. As DBC has a variety of properties, some may not be suitable for mobility scooters due to space restrictions. Where space permits, the Aids and Adaptations Surveyors can identify suitable storage locations by referring to “The Procedure for identifying safe storage locations for mobility scooters.”

**Stage 3:** The tenant’s scooter must be serviced annually. The tenant is responsible for the annual servicing costs. A copy of the annual service report must be provided to the HOT if requested.

### **3.0 Existing tenants who owned a scooter before this policy was introduced**

#### **3.1 Supported Housing Tenants**

Supported Housing tenants who already owned a scooter before the introduction of this policy will be able to use storage facilities in supported housing schemes if they are available, places cannot be handed to tenants by other tenants giving up their place . The tenant’s scooter must be serviced annually. The tenant is responsible for the annual servicing costs. A copy of the annual service report must be provided to the HOT if requested. The tenant is responsible for the annual servicing costs.

#### **3.2 General Needs Tenants**

General needs tenants who owned a scooter before the introduction of this policy and who do not have suitable storage facilities will need an OT assessment. If the OT assessment does not recommend a mobility scooter and the tenant still wants one the tenant will have to pay for a suitable storage facility that complies to specifications and regulations approved by the Council.

General needs tenants who owned a scooter before the introduction of this policy and do have suitable storage facilities do not need an OT assessment.

If existing storage arrangements are found to be unsafe, the Council will try to find alternative storage. DBC will work with general needs tenants to find safe storage. Where space permits, the Aids and Adaptations Surveyors can identify suitable storage locations by referring to “The Procedure for identifying safe storage locations for mobility scooters.”

The tenant’s scooter must be serviced annually. The tenant is responsible for the annual servicing costs. A copy of the annual service report must be provided to the HOT if requested

#### **3.3 Leaseholders**

Leaseholders who owned a scooter before the introduction of this policy and who do not have suitable storage facilities will need an OT assessment. If the OT assessment does not recommend a mobility scooter and the leaseholder still wants one the leaseholder will have to pay for a suitable storage facility that complies to specifications and regulations approved by the Council.

Leaseholders who owned a scooter before the introduction of this policy and do have suitable storage facilities do not need an OT assessment.

If existing storage arrangements are found to be unsafe, the Council will try to find alternative storage. DBC will work with leaseholders to find safe storage. Where space permits, the Aids and Adaptations Surveyors can identify suitable storage

locations by referring to “The Procedure for identifying safe storage locations for mobility scooters.” The leaseholder’s scooter must be serviced annually. The leaseholder is responsible for the annual servicing costs. A copy of the annual service report must be provided to the HOT if requested.

#### **4.0 Summary**

A summary of the policy for types of dwellings is detailed below:

- Flats – Mobility Scooters cannot be stored inside flats or in internal communal areas of flats
- Supported Housing Schemes – Mobility Scooters cannot be stored inside the dwellings or in internal communal areas of the schemes
- Houses/Bungalows – Mobility Scooters can be stored inside Houses and Bungalows. An OT assessment will be required before the Council will look to install suitable storage. Suitable storage will only be supplied where feasible.

#### **5.0 Right to refuse requests**

DBC will look to provide suitable storage for mobility scooters wherever possible. If an application is made at a scheme that is unsuitable for scooters, the request will be declined. It will also be declined if any existing storage facility is full.

Requests will be refused if a scooter cannot be located safely and may cause a risk to its owner or other residents. DBC reserves the right to enforce this policy In line with the Clear Landings Procedure and Dacorum Borough council’s tenancy conditions.

#### **6.0 Using Mobility Scooters**

DBC strongly recommend that any tenant purchasing a mobility scooter does so from a reputable company and ensure that they receive adequate tuition in the operation of the mobility scooter. It is also recommended that the tenant takes out adequate insurance to cover themselves and the mobility scooter against accidents, damage and theft.



## AGENDA ITEM: 7

### SUMMARY

<b>Report for:</b>	<b>Housing and Communities Overview &amp; Scrutiny</b>
<b>Date of meeting:</b>	<b>28 January 2015</b>
<b>PART:</b>	<b>1</b>
If Part II, reason:	

<b>Title of report:</b>	<b>Local Lettings Plan</b>
Contact:	Cllr Margaret Griffiths, Portfolio Holder for Housing Julia Hedger, Group Manager Strategic Housing Natasha Brathwaite, Strategic Housing Team Leader (Property)
Purpose of report:	1. To provide Members with an update of how the Strategic Housing Service will allocate new build homes within the borough.
Recommendations	1. For the Committee to note the report.
Corporate objectives:	Affordable housing
Implications:	<u>Financial</u>  None.
'Value For Money Implications'	<u>Not applicable</u>

Risk Implications	Risk Assessment – undertaking as part of the Allocations Policy implementation in 2013
Equalities Implications	<p>Equality Impact Assessment - undertaken as part of the Allocations policy implementation in 2013.</p> <p>The Council is committed to securing equality of opportunity in all aspects of its activity as a service provider. This means that every effort is made to ensure that all sectors of the community have equal access to services offered by the Council and its housing association partners. The Council recognises its statutory duties under the Equalities Act 2010 to ensure that no person will receive less favourable treatment than others because of age, disability, race, religion or belief, sex, marriage or civil partnership, pregnancy or maternity, sexual orientation, or gender reassignment.</p> <p>The Housing Strategy team ensures:</p> <ul style="list-style-type: none"> <li>• That advice and information is available about the right to make an application for housing; and</li> <li>• That assistance is given to anyone likely to have difficulty making an application for housing.</li> </ul> <p>Information about the allocation scheme will be made available in alternative formats and languages on request.</p> <p>To monitor the effectiveness of this policy, applicants will be asked to complete an 'Equality and Diversity' section in the application form for the housing register.</p> <p>Regular monitoring and evaluation of data and information on homelessness, the housing register and lettings outcomes, will all be fed back into policy reviews and service development.</p>
Health And Safety Implications	Not applicable, covered by the Allocations Policy
Consultees:	<p>Mark Gaynor – Director of Housing &amp; Regeneration</p> <p>Elliott Brooks – Assistant Director of Housing</p> <p>Julia Hedger – Group Manager, Strategic Housing</p> <p>Andy Vincent – Group Manager Strategic Housing</p> <p>Gemma Goacher – Lead Officer Allocations</p> <p>Tenant &amp; Leaseholders Committee</p>
Background papers:	Allocations Policy
Glossary of acronyms and any other abbreviations used in this report:	CBL – Choice Based Lettings

## 1. Background

1.1 The Allocations policy's primary function is to set out:

- Dacorum Borough Council's (the Council) local priorities in allocating housing accommodation; and
- The Council's local approach to eligibility and qualification to its housing register.

The document seeks to:

- Establish the essential framework enabling the Council to determine the relative priorities between applicants for housing; and
- Provide a comprehensive statement of the procedure that should be followed when considering applications and making allocations.

1.2 The Council is committed to giving fair opportunity to all applicants and reserves the right to make limited numbers of properties available to only homeless applicants; or home-seekers; or transferring tenants, if at any time one or more of these groups' starts to dominate allocations.

The policy sets out:

- The procedures and priorities involved in the initial consideration of an applicant's
- How a bid made by an applicant through the CBL scheme is to be treated.

1.3 The current levels of housing demand in the Dacorum local housing authority area are very high and the Council is under pressure from this high demand to effectively and fairly manage its housing register and stock.

In April 2012 the Council approved its Housing Principles. Of those principles a number relate to allocations and these include:

- Two 'key' Housing Principles

*"Give priority to households in the greatest housing need when allocating affordable housing."*

*"Aim to maximise the use of our housing stock in order to meet housing need." 5*

- Three 'further' Housing Principles

*"Give preference to local people where possible when allocating housing."*

*"Work with the local private sector in housing, including the private rented sector."*

*"Ensure that due consideration is given to any vulnerable client groups."*

In its Homelessness Strategy the Council sets out its preventative approach to alleviating the causes of homelessness, which is intended to reduce the pressure on allocations to social housing.

1.4 The Council takes the view that this policy should support efforts to prevent homelessness wherever possible and to manage its consequences, and that this should be viewed as an explicit aim.

1.5 The Council is committed to ensuring that allocations are fairly distributed between homeless applicants, home-seekers and transferring tenants, while always taking into account both the current demand and the stock that is available to let at any one time.

## 2. Local Lettings plan for new build developments

The Council's Allocations Policy enables the Strategic Housing Service the flexibility to identify particular housing accommodation that it wishes to use to achieve a variety of housing management and policy objectives. Page 26, Section 9 of the Allocations

Policy confirms that the policy allows the Strategic Housing Service to introduce a local lettings plan.

It is proposed that our local lettings plan will assist the Council to make sure that applicants who are being allocated the newly built properties have different family compositions, this will enable communal living to be easier and avoid placing too much demand on communal space. This will encourage diversity of tenants and help provide a balance of tenants and tenant's needs and demands on the communal space. Asking new tenants to sign up to a good neighbour agreement encourages them to take responsibility for their behaviour from the tenancy commencement and will help to prevent any unnecessary additional pressure for the Housing Landlord Team in managing the properties.

The Council's new build properties will be advertised and allocated via the Choice Based lettings scheme, 'Moving with Dacorum'. Applicants who are active on the housing register are eligible to bid for advertised properties that meet their level of household need. The Allocations policy enables the Strategic Housing Service to assess an applicant's housing need and points are awarded to represent their circumstances.

When a property is advertised the applicant with the highest number of points who has placed a bid will be offered this property (pending necessary verification checks). This means that the applicant with the highest level of housing need (points) will be allocated the properties. This achieves the Council's goal of housing local people with a housing need.

The Council wants to foster sustainable communities and manageable communal living, especially in blocks of flats where there is substantial shared space, having a mixed variety of tenants, with different family compositions and needs is more likely to assist in achieving this goal.

## **2.2 The Nokes 9 x 2 Bedroom flats**

- 50% of all children in the building must be over 10 years old

Reason: This is to help provide a balance of tenants and tenants needs and demands on the communal space. For example, this would avoid a situation where all the children in the building require a pushchair, which takes up space getting in and out of the building, even with management tools such as a clear landing policy in place.

- Training on best use of Passivhaus property

Reason: As Passivhaus properties are so different from living in any other kind of home, new tenants will need to be introduced to the principles and mechanisms of looking after such a property. Training will be delivered to tenants by the Strategic Housing Service in partnership with the Architect, to ensure that a comprehensive understanding is gained on how to manage the facilities within the property. Detailed handbooks will also be provided to new tenants. All applicants successful on the shortlists when bidding for these properties will need to complete training, prior to signing up for the tenancy. This will encourage the best use of the property and help keep heating bills and maintenance issues to a minimum.

- Good neighbourhood agreement



Reason: This encourages a pro-active approach to being a good neighbour. This is different from the tenancy agreement which explains what is unacceptable.

- Tenancy sustainment training

Reason: This is compulsory for all home seekers (including homeless applicants) and available for transferring tenants who would benefit. This is to encourage ongoing tenancy sustainment. The training covers:

1. Council tax responsibility
2. The housing register
3. Housing Advice and options
4. Setting up your gas and electricity
5. Understanding your tenancy agreement
6. Paying your rent
7. Where to find second hand/affordable furniture items
8. Where to go for help with financial problems

### 2.3 Farm Place

**26 properties: 6 x 3 bedroom houses  
8 x 2 bedroom flats  
12 x 1 bedroom flats**

- 50% of all children in the flats must be over 10 years old

Reason: This is to help provide a balance of tenants and tenants needs and demands on the communal space. For example, this would avoid a situation where all the children in the building require a pushchair, which takes up space getting in and out of the building, even with management tools such as a clear landing policy in place.

- One bedroom properties to be occupied by couples in at least 50% of allocations

Reason: To encourage diversity of tenants.

- One bedroom properties to be occupied by tenants over 25 years old in at least 75% of allocations.

Reason: To encourage diversity of tenants. It is often the case that the applicants with a one bedroom need and the highest points (and so are in the greatest housing need) an example of this would be care leavers and young people who need to move on from supporting lodgings or shared accommodation to live independently at 18 years of age. Whilst their housing need is high, allowing the majority of one bedroom properties to be allocated to customers who are living alone for the first time may place these clients in a vulnerable situation. The best outcome for vulnerable young people is to move on into a diverse community and live with people who have had different experiences from them.

- Good neighbourhood agreement

Reason: This encourages a pro-active approach to being a good neighbour. This is different from the tenancy agreement which explains what is unacceptable.

- Tenancy sustainment training

Reason: This is compulsory for all home seekers (including homeless applicants) and available for transferring tenants who would benefit. This is to encourage ongoing tenancy sustainment. The training covers:

9. Council tax responsibility
10. The housing register
11. Housing Advice and options
12. Setting up your gas and electricity
13. Understanding your tenancy agreement
14. Paying your rent
15. Where to find second hand/affordable furniture items
16. Where to go for help with financial problems

### **3. Next steps**

3.1 The Local Lettings plan will be advertised on the Council's website and Moving with Dacorum site.

3.2 Advertisement of these new build properties will commence from 29 January 2015. As the Council are now able to advertise property cycles on a daily basis, the advertisement will be phased over a period of several weeks, to ensure that the Strategic Housing Team apply a planned approach to letting these new homes and absorb these lettings within the current workload.

3.3 Phasing advertisements will also enable applicants several opportunities to bid over the advertised cycles, maximising their opportunity to be considered for these new homes.

3.4 The local lettings plan will be in place for the initial allocations for these new build properties. As and when properties are vacated in the future, they will be advertised via Moving with Dacorum and let in the usual way in line with the Allocations Policy.

3.5 This local lettings plan will apply to all new build developments completed within the borough.



## AGENDA ITEM: 8

### SUMMARY

<b>Report for:</b>	<b>Housing &amp; Community Overview &amp; Scrutiny Committee</b>
<b>Date of meeting:</b>	<b>28th January 2015</b>
<b>PART:</b>	<b>I</b>
If Part II, reason:	

<b>Title of report:</b>	Housing Asset Management Strategy - Update
<b>Contact:</b>	Councillor Margaret Griffiths, Portfolio Holder for Housing Responsible Officer – Mark Gaynor, Corporate Director (Housing & Regeneration). Author - Fiona Williamson, Group Manager Property & Place
<b>Purpose of report:</b>	To provide an update upon the development of the Housing Asset Management Strategy.
<b>Recommendations</b>	For members of the Overview and Scrutiny Committee to provide observations and comments on the approach and proposed content of the Housing Asset Management Strategy.
<b>Corporate objectives:</b>	<p>To ensure the management and maintenance of the housing portfolio is undertaken in accordance with best practice and is appropriate for the type, age and use of the stock.</p> <p>To consider national and local factors that could influence the optimal use of the housing stock in terms of value for money, the most economical use of resources and are reflective of the demand.</p> <p>To promote tenant involvement in deciding the priorities within the Asset Management Strategy.</p> <p>To provide assets of a consistent standard, allowing for differences in type of construction or archetype.</p> <p>To enable the delivery of new affordable homes, where individual sites are identified.</p>
<b>Implications:</b>	<u>Financial</u>  The Council have joined the Chartered Institute of Housing's

<p>'Value For Money Implications'</p>	<p>Excellence in Asset Management programme and the costs have been spread over two financial years and have been allowed for within the 2014-15 and 2015-16 Housing Revenue Account (HRA) budgets.</p> <p><u>Value for Money</u></p> <p>The assessment to determine the optimal use of any of the assets will ensure that value for money is one of the criteria applied when considering a change of designation, remodelling or disposal.</p>
<p>Risk Implications</p>	<p>The Asset Management Strategy is essential as it will supplement the Business Plan and provide the framework for decision making to ensure the housing stock is viable and fit for purpose both now and in the future.</p> <p>The risks associated with not developing an Asset Management Strategy are that investment is not targeted appropriately and the long term financial viability of the business model is undermined.</p>
<p>Equalities Implications</p>	
<p>Health And Safety Implications</p>	<p>Health and Safety will be one of the key themes of the Asset Management Strategy and individual Health &amp; Safety plans will be developed for each project as required.</p>
<p>Consultees:</p>	<p>Councillor Margaret Griffiths, Portfolio Holder Housing Tenant representatives.</p> <p>Elliott Brookes, Assistant Director Housing Landlord Osborne Property Service, Will Hughes, Business Excellence Director and Alan Perrett, Account Manager</p> <p>Andrew Vincent, Group Manager Tenants and Leaseholders</p>
<p>Background papers:</p>	<p>HRA Business Plan</p> <p>Cabinet 29 March 2011, Housing Services the way forward</p> <p>HCOSC 16<sup>th</sup> Oct 2013, Proposed changes to Government Rent Policy and impact on the HRA Business Plan</p>
<p>Historical background <i>(please give a brief background to this report to enable it to be considered in the right context).</i></p>	<p>Historically the Housing Service developed 5 Year business plans, using stock condition information to determine the areas for investment. Under the former subsidy system, investment was targeted at Decent Homes work and work to prevent depreciation of the asset.</p> <p>Since the introduction of Self Financing there is greater scope for investment in redevelopment, new build programmes and</p>

	<p>upgrading of the existing stock.</p> <p>The development of an Asset Management Strategy is essential to outline the priorities for the management and maintenance of a fit for purpose, social housing portfolio.</p> <p>In considering the report it is important to understand the wider context in terms of the Borough’s Housing Strategy, Government Rent Policy, Right to Buy and Social Size Criteria, all of which influence the options that are available for inclusion in the Asset Management Strategy.</p>
<p>Glossary of acronyms and any other abbreviations used in this report:</p>	<p>HRA - Housing Revenue Account          CIH - Chartered Institute of Housing          TAM - Total Asset Management          NPV – Net Present Value          EPC – Energy Performance Certificate          Solar PV – Solar Photo Voltaic          FiT – Feed in Tariff          HCA – Homes and Communities Agency          TLC - Tenants and Leaseholders Committee          HMEC - Housing Maintenance and Environment Committee          IAM – Institute of Asset Management          NHF National Housing Federation</p>

## 1.0 Introduction

- 1.1 The Council are participating in the Chartered Institute of Housing “Working Together to redefine asset management” project, which provides an opportunity for a small group of sixteen social housing organisations and three Service Providers, to use best practice, industry knowledge and experience to collectively define and develop a new model for asset management that can be tailored to align with individual organisations corporate priorities.
- 1.2 The project is facilitated and supported by CIH consultancy, who was originally appointed to assist in the modelling and construction of the HRA Business Plan, and provided specialist advice on the asset management elements of the plan and on overall implementation.
- 1.3 The CIH project aims to re-define the way social landlords approach asset management, working up a model that is ‘fit for purpose’ and combines both the financial appraisal of assets on an individual or collective basis and the strategic objectives, which can vary from each organisation. The benefit to the Council in participating in the project is to develop a model and Asset Management Strategy that reflects current developments, is tailored to aligned with Corporate objectives,

reflects the local demographics and demand for housing in the Borough and incorporates tenant priorities.

1.4 The CIH project covers the following six key areas:

1. Aspiration, inspiration and the business case
2. The strategic framework for asset management
3. Implementing the new asset management model
4. Unlocking the potential of the housing stock
5. Assessing the performance of the housing stock
6. Developing option appraisal

1.5 The project is focused upon the key drivers for Asset Management which are summarised below:

#### **Demand and Supply**

- Demographic changes, including an ageing population
- Fluctuations in demand for particular locations and property types (impact of welfare reform)

#### **Stock Condition and Sustainability**

- An aging stock profile and 'fit for purpose' issues with some property types
- The pressure to deliver higher, locally determined standard 'The Dacorum Standard'
- Neighbourhood and economic sustainability

#### **Funding Financing and VfM**

- The imperative for assets and asset planning to support the Business Plan
- The need to optimise value and use of the asset
- The need for proactive solutions to improve stock portfolios and their performance

1.6 The Institute of Asset Management has recently supported some research into areas which often present challenges to the development and implementation of an effective Asset Management Strategy and the summary findings of a recent survey indicated the following:

- The need to secure senior executive buy in for new investment
- Lack of knowledge of detailed asset planning techniques
- The necessity of gathering and analysing more data
- Regulatory pressures across sectors

These four areas will be regularly reviewed and addressed to ensure that these areas are addressed.

In addition reference has been made to the ISO55000 standard and the NHF “Best Practice in Asset Management” and its calculation tools to help inform the development of the strategy.

## **2.0 Involvement of the Service Providers**

- 2.1 The Total Asset Management Contract was awarded to Osborne Property Services in March 2014, following a robust procurement process that used competitive dialogue to gain a comprehensive understanding of how each of the bidders would support the Council in the development and delivery of the service and an Asset Management Strategy.
- 2.2 Osborne demonstrated a good understanding of the benefits of collaborative working to ensure that both organisations embed the importance of data collection and the objectives of the Asset Management Strategy in the approach that the workforce take towards the delivery the repairs and improvement programmes. Unless this is successfully achieved the Asset Management Strategy can influence management decisions, but there is an underlying risk that a number of repairs or improvement works are carried out in assets that are no longer fit for purpose and which require remodelling, major upgrading, re-designation or disposal.
- 2.3 The delivery of the planned programmes, collection of survey information and data on type and volume of repairs, which Osborne will collate, will enable better outcomes for the Council, Osborne and tenants and leaseholders. The additional data on both historic repairs, current programmes and the remaining life expectancy of components will be used to populate the Asset Management System, PIMSS.
- 2.4 The Total Asset Management approach also considers wider environmental factors, such as estate improvements and community initiatives, which add value to the wider community as well as the tenants and leaseholders.
- 2.5 A strategic alliance has been established between Osborne and the Gas Servicing and Installation Service Provider, Sun Realm who are co-located in the Osborne offices. The collaborative approach enables programmes to be coordinated, so that disruption to tenants is minimised if a boiler and kitchen replacement can be undertaken simultaneously. Additionally the data on the programming and management of the domestic boiler replacement programmes is included within the asset investment model.
- 2.6 Appendix A – Power Point Presentation to summarise the collaborative approach

## **3.0 The Business Plan**

- 3.1 The 30 year Business Plan has been developed to provide the direction for the delivery of services to tenants and leaseholders and the level of investment in the homes and related assets required to ensure they are at a decent standard agreed with tenants and which meets the long term physical requirements of the stock. The plan includes:
  - The service standards required
  - The investment required over a 30 year period
  - Anticipation of likely changes in demand and requirements
  - A clear understanding of the costs involved
  - An approach to Treasury Management that facilitates both the needs of the Business Plan and servicing debt obligations

- A clear assessment of the income required to deliver the plan, including rent policy, other charges and their collection, and of best use of assets.
- A clear strategy of controlling and managing costs

3.2 All of the above interact with each other and will provide an opportunity or limitation to be taken or mitigated as appropriate, will require alignment to existing policy and, critically, the ability to model the impact of a wide range of scenarios to help advise the best course of action.

#### **4.0 Preparatory work**

4.1 Involvement of stakeholders, senior management, other teams including corporate estates team, residents and the Service Providers, Sun Realm and Osborne.

4.2 Improving the quantity and quality of the stock data by investment in the PIMSS asset management software, which is capable of some data modelling and scenario planning to provide information on the projected future investment requirements and to assist with regulatory compliance. The system has been populated with the 60% stock condition data that was provided from the Savills stock surveys in 2007 and 2011, and is updated with all replacement programmes, EPC's, empty homes investment and survey data collected by Osborne. The data can be exported from PIMSS to other software tools such as the Asset Options Model described in paragraph 5.1.

4.3 Asbestos management surveys were also undertaken to the 60% surveys, providing data on the location and condition of asbestos containing materials, which can be used to populate the database and reduce the expenditure on ad-hoc testing.

4.4 A database and performance officer was appointed to manage the asset management system and ensure good data quality, so that any information that is input into the Asset Option Modelling tool is accurate and relevant. The quality, volume and accuracy of data is an important factor in determining the Net Present Value of any property as evidence shows that the planned maintenance costs or programmes have the biggest impact on the NPV calculation over any other factor.

4.5 A workshop has been held with members from all three teams within housing, Tenants and Leaseholders, Property and Place and Strategic Housing, contained in Appendix B and in addition the STAR survey was used to obtain tenant opinions on their priorities for investment. There will be further consultation undertaken with the TLC and HMEC to review the Asset Options criteria, once the final draft has been produced.

4.6 A review of existing policies and strategies is ongoing, to ensure there is no conflict or contradictions in the approach to the Asset Management Strategy.

#### **5.0 Asset Management Options Models**

5.1 There are a number of models available to derive an assessment of the viability of the stock, most of which focus upon the financial viability of individual units or schemes. In order to produce a financial assessment of the value of the stock at a property or grouped level, the following key data is required:

- Rental income



- Ancillary income – Solar PV FiT, roof leases
- Service Charges income
- Empty Homes loss
- Housing management costs
- Write offs
- Maintenance costs
- Service costs
- Repairs costs
- Gas repairs and service
- Empty homes refurbishment costs
- Planned maintenance investment
- Grant investment

5.2 In addition it is necessary to determine the Net present value (NPV). The NPV is an approach to evaluating investments that assesses the difference between all the revenue the investment can be expected to achieve over its whole life and all the costs involved, taking inflation into consideration. It can be challenging to calculate NPV because assumptions are required for inflation and there are different methods of determining discount rates, so the model should be capable of modelling at different rates.

5.3 Aside from the purely financial assessment social housing providers have a number of common aims to increase social value and ensure the potential of the housing stock is maximised. In order to evaluate these against the financial outputs, social housing providers have been considering how other considerations could influence the decisions to retain, redevelop or dispose of stock. Various assessments are being considered on how to equate these to a monetary value. An example of this is one model that provides the value as the income foregone by not charging affordable or market rents.

5.4 All of these factors and considerations will have to align with other Housing Policies so it is envisaged that the Council will work with the CIH or other provider to ensure that the criteria used to inform the Asset Options Modelling tool provides an assessment of both the financial and social factors which are germane to the Council's stock.

5.5 Furthermore, it is important that any Asset Options Modelling tool provides a tool and an approach that helps inform the strategic management decisions and also will help guide frontline staff in making better long-term decisions about the assets.

## **6.0 Risk Management**

6.1 It is essential that any Asset Management Strategy outlines how the Council will deal with the risks associated with managing tenanted properties. The HCA is taking a firm line with landlords that put tenants at risk. There have been a number of recent cases where the HCA is acting on health and safety concerns.

The main risks seem to be:

- Gas safety
- Fire safety
- Failure to comply with Housing Act notices.

6.2 The Council will develop a risk register to ensure that statutory compliance and health and safety risks are identified and managed.

Appendix A

(15 Pages)

Powerpoint Presentation



































Appendix B

(1 Page)

## **9. EXCLUSION OF PUBLIC**

To consider passing a resolution in the following terms: That, under s.100A (4) of the Local Government Act 1972 Schedule 12A Part 1, as amended by the Local Government (Access to Information) (Variation) Order 2006, the public be excluded during the items in Part II of the Agenda for this meeting, because it is likely, in view of the nature of the business to be transacted, that if members of the public were present during these items there would be disclosure to them of exempt information relating to: Sensitive commercial information relating to competitive tender process (Item 14).



## AGENDA ITEM: 10

### SUMMARY

<b>Report for:</b>	<b>Housing &amp; Community Overview &amp; Scrutiny Committee</b>
<b>Date of meeting:</b>	<b>28th January 2015</b>
<b>PART:</b>	<b>2</b>
<b>If Part II, reason:</b>	<p>The report contains information relating to the financial or business affairs of any particular person (including the authority holding that information).</p> <p><b><u>Local Government Act 1972, Schedule 12A, Part 1, paragraph 3.</u></b></p>

<b>Title of report:</b>	Gas servicing and installation contract and Total Asset Management Contract update.
<b>Contact:</b>	<p>Councillor Margaret Griffiths, Portfolio Holder for Housing Responsible Officer – Mark Gaynor, Corporate Director (Housing &amp; Regeneration).</p> <p>Authors - Fiona Williamson, Group Manager Property &amp; Place, Wimal Alahakon, Commercial Relationship Surveyor, Neil Brown, Contracts Team Leader</p>
<b>Purpose of report:</b>	To provide an update upon the performance of the Gas Servicing Contract and Total Asset Management Contract and an update on the Mechanical and Electrical procurement project.
<b>Recommendations</b>	For members of the Overview and Scrutiny Committee to provide observations and comments on the performance of the two contracts and for information on the progress of the mechanical and electrical tenders.
<b>Corporate objectives:</b>	<p>To ensure investment in the maintenance and improvement of the housing portfolio is delivered in line with the performance requirements of the contract and provides a high quality, customer focused service that provides value for money.</p> <p>To promote tenant involvement in the management and delivery of the contracts.</p>
<b>Implications:</b>	<u>Financial</u>

<p>'Value For Money Implications'</p>	<p>The tenders were awarded on the basis of the most economically advantageous tender and sufficient budget provision has been made in the 2014-15 budget to deliver the programmed Capital work and responsive repairs.</p> <p><u>Value for Money</u></p> <p>The assessment to determine the optimal way to deliver the work strands to reduce duplication of access costs will ensure that value for money is demonstrated and realised over the term of the contract.</p>
<p>Risk Implications</p>	<p>The Total Asset Management Contract combines a large number of planned work programmes, the management of the call centre and the day to day repairs and empty homes repairs. Performance management is essential as poor performance on this contract would have serious detrimental effects on the tenants and leaseholders and on the reputation of both the Council and the service Provider, Osborne.</p> <p>The failure to remain compliant in respect of gas safety is both a risk in terms of statutory compliance and risks to the tenants and adjoining residents.</p>
<p>Equalities Implications</p>	<p>The project Equalities Impact Assessments that were developed prior to tendering the contracts are to be reviewed and replaced with Community Impact Assessments.</p>
<p>Health And Safety Implications</p>	<p>Failure to adequately maintain the properties in a good state of repair and compliant with statutory requirements has health and safety implications.</p>
<p>Consultees:</p>	<p>Councillor Margaret Griffiths, Portfolio Holder Housing Tenant representatives.</p> <p>Elliott Brookes, Assistant Director Housing Landlord</p> <p>Andrew Vincent, Group Manager Tenants and Leaseholders</p>
<p>Background papers:</p>	<p>Cabinet Report 25<sup>th</sup> March 2014, Award of Total Asset Management Contract and Consultants Contracts.</p> <p>Cabinet Report 23<sup>rd</sup> July 2013, Award of Gas Servicing and Installation Contract</p>
<p>Historical background <i>(please give a brief background to this report to enable it to</i></p>	<p>The Housing service undertook an extensive procurement exercise to identify Service Providers for the delivery of the Total Asset Management Contract and the Gas Servicing and</p>

<p><i>be considered in the right context).</i></p>	<p>Installation contract. The Gas Servicing and Installation contract was awarded to Sun Realm and commenced on site in October 2013 and the Total Asset Management contract was awarded to Osborne Property Services and commenced on site in July 2014. Both contracts are TPC Partnering contracts and operated using an open book accounting and have performance linked profit elements. The contracts both have an initial duration of 5years with the potential to earn extensions based upon satisfactory performance measured by a range of key performance and strategic indicators.</p>
<p>Glossary of acronyms and any other abbreviations used in this report:</p>	<p>HRA - Housing Revenue Account TAM - Total Asset Management (CP12) LGSR Certificate – Landlords Gas Safety Record MEAT – Most Economically Advantageous Tender HMEC – Housing Maintenance and Environment Committee TPC – Term Partnering Contract KPI's – Key Performance Indicators</p>

## 1.0 BACKGROUND

- 1.1 The gas servicing and installation contract was awarded to Sun Realm Heating Limited in October 2013 following a robust procurement process. During the first six months of the contract they undertook the gas servicing to over 9500 properties within the Borough. In addition they carried out the replacement of any CAT 1 boiler breakdowns, whereby the boiler was beyond economic repair, usually through the obsolescence of parts or the high cost of the broken component.
- 1.2 The Contract is being delivered under the TPC 2005, form of Partnering contract amended in 2008 and the original contract sum based on a Target Cost was £ 36,610,832.31. The initial contract duration was 5.5 years, with the option to extend for a further 5 years. Additional extensions can be earned subject to ongoing periodic renewal processes of the Service Provider's key performance indicators which include, compliance, Health & Safety and Financial Matters.
- 1.3 Once in every 3 months the Council will carry out an 'Open Book Audit' to ascertain the actual costs borne by the Service Provider. Any savings ( gain) from the Target Cost will be shared by the Council and the Service Provider on equal basis. Any expenditure over and above the target cost will be the entire responsibility of the Service Provider ( pain)

## 2.0 SCOPE OF SERVICE

2.1 The Gas Servicing and installation contract covers both gas and solid fuel boilers and the primary functions are;

- a) Servicing of existing installation and issue of Gas Safety Certificates in compliance with the Gas Safety ( Installation and use ) Regulation.
- b) Boiler replacements gas and solid fuel.
- c) CAT -1. Break down Service
- d) Miscellaneous Work
  - Power Flushing
  - Complete New Heating System
  - Additional Radiators
  - Flue Replacement/Upgrade

### 3.0 FINANCIAL PERFORMANCE

3.1 The contract is administered using target costs for the replacement of boilers and full central heating systems and on a fixed price per service, which includes for any repairs that are required throughout the year.

3.2 The target costs were used to provide cost comparisons at tender stage, but under the contract financial mechanism of Open Book, the Council pay the actual cost of the boiler installations which is determined by reviewing the Service Providers accounts. Three ' Open Book Audits' have been carried out by the Council since Sun Realm Heating Ltd commenced this contract and following table, Table 1, summarises the outturn position from each audit:

#### 3.3 Table 1

Audit Date	Difference from Target cost to actual cost	50% DBC share to reinvest
March 2014	£143,818	£71,909
June 2014	£160,780	£80,390
Sept 2014	£206,722	£103,361
<b>Total Saving</b>	<b>£511,320</b>	<b>£255,660</b>

3.4 In each of the three audits undertaken to date there have been savings against the target costs. The contract is structured to incentivise the Service Provider to make efficiency savings against the target costs as this is shared equally 50:50.

3.5 The £255,660, 50% share of the savings which Dacorum have accrued has been reinvested back into the replacement programme, providing additional boiler installations for our tenants.

### 4.0 BUDGET

4.1 The initial budget for the financial year, ending March 2015, was set at £ 3,825,000. In addition, 2 other standalone projects were added, so that the total budget allocated for this financial year was increased to £4,175,000.

4.2 In addition, the savings achieved through Open Book audit, £ 255,660, has been re-invested. The summary position is shown in the table 2, below:

4.3 **Table 2**

	<b>BUDGET</b>	<b>SPENT TO DATE</b>	<b>REMAINING</b>
Capital	£2,700,000	£2,993,245	£1,181,755
Revenue	£1,125,000		
Gade Tower	£250,000		
Holly Court Tree	£100,000		
Re-investment of Gain Share			<b>£255,660</b>
<b>TOTAL</b>	<b>£4,175,000</b>	<b>£2,993,245</b>	<b>£1,437,415</b>

## 5.0 KEY PERFORMANCE INDICATORS

5.1 Sun Realm Ltd have constantly maintained a high degree performance and been very pro-active in managing access to undertake the gas servicing. The following table, table 3, contains the latest KPI figures.

5.2 **Table 3**

<b>Item</b>	<b>Description</b>	<b>Target %</b>	<b>% PRP</b>	<b>Achieved %</b>
Compliance Check	Boiler services either completed or in the process.	100	20	100
Quality	Proportion of QC checks passed	>95	10	100
Resident Satisfaction with Quality & Service	Proportion of jobs completed to satisfaction of the resident.	>90	20	100
Appointment kept	Proportion of appointment kept by the service provider	>98	20	100
Formal Complaints	Projects completed without any complaints from residents	>99	100	100
Time	Jobs completed with target time scales	>98	5	99.9
Health & Safety	Number of jobs with no reportable accidents	1	10	100
Reducing waste	Amount of waste recycle or diverted from landfill	>75	5	85

5.3 **Work Completed Year to date**  
 Within last 8 months of this Financial Year ( From April to Nov- 2014) the Service Provider completed following core activities.



SERVICING	7627
CAT - 1 EMERGENCY BOILER REPLACEMENTS	522
PLANNED NEW BOILER INSTALLATIONS	860

## 6.0 CONCLUSION

- 6.1 The Service Provider, Sun Realm, has demonstrated a good understanding about 'Open Book Protocol' and adhered Councils' requirement there-in. During the past Auditing/Scrutiny processes we noted that Sun Realm Heating Ltd had a transparent and well structured set of accounts, the format of which had been agreed during the mobilisation period of the contract. Sun Realm has always responded to any issues with the service and has developed good working relationships with the Client officers which have been instrumental in smooth running of the Gas Servicing Contract.
- 6.2 In addition to the KPI's which are monitored and upon which a percentage of the Service Providers profit is based, there have been a number of compliments from the residents, which have been provided to Dacorum's Commercial Relationship Surveyor.
- 6.3 The two additional projects, that have been delivered this year, Gade Tower and Holly Tree Court heating upgrades, could have been carried out under the traditional form of contracts, but by incorporating these into the TPC Contract, substantial savings have been made through Open Book Audit.
- 6.4 Presently, the services that we are being received from Sun Realm, meet with our satisfaction and they always show dependability and dedication. We are aware that Sun Realm are tendering for further works for other landlords, and are hoping to expand their services. Therefore, we need to monitor this situation to ensure that the Council receives proper attention and care on this important gas servicing and installation contract.
- 6.5 In summary, the use of Open Book Accounting, in conjunction with a target cost based contract, had derived some positive outcomes both in terms of financial savings and also good customer satisfaction. It is recognised that, in order to achieve any Value for Money savings, both the Employer and the Service Provider must develop a good working relationship and the transparency demonstrated by Sun Realm has assisted in engendering a good working relationship. Both organisations have been keen to identify and manage any waste in the process and this has led to some good results and tangible savings.

## **1.0 TOTAL ASSET MANAGEMENT CONTRACT - PERFORMANCE UPDATE**

- 1.1 The Total Asset Management Contract was awarded to Osborne Property Services in April 2014 and was mobilised to commence on site on the 1<sup>st</sup> July, which despite the tight timescale was achieved. There were a number of complex issues, including the TUPE transfer of staff from multiple organisations, the need to establish a site office and depot in Dacorum and to engage with local suppliers and sub-contractors.
- 1.2 The Council officers have worked very closely with Osborne's team to assist in ensuring the mobilisation and transition into the new contract was undertaken collaboratively so that the cultural aims of transparency and working together could be embedded.
- 1.3 The new Total Asset Management Contract is designed to provide both a service element, with the management of the call centre and inspection surveyors, as well as the day to day repairs and planned programmes of work. The contract has been structured to enable a percentage of the Service Providers profit to be linked to satisfactory performance, measured by a number of Key Performance Indicators, to incentivise positive behaviours. In addition the contract extensions are contingent on the Key Strategic Indicators being met. These are as contained in Appendix A.

## **2.0 Local Employment and Site Office**

- 2.1 The Council were keen to ensure Osborne engaged with the local supply chain and facilitated an Open Day during the procurement exercise and have been working with Osborne to continue to approach local contractors a number of who are now working for Osborne's.
- 2.2 The office accommodation and stores depot is situated on the Maylands Industrial Estate due to its central location and provides income from the business rates. The unit at Maxted Court has been completely refurbished to give all staff transferring across from other organisations an area to work in that would be vibrant and dynamic. The office has capacity for the gas servicing contractor Sun Realm to be co-located which enables information on programmes to be shared and co-ordinated. There are also a number of "hot desks" for Dacorum staff, many of whom spend the majority of their time based in Osborne's offices. This has derived many benefits as decisions can be made more quickly, problems can be addressed and it has enabled the teams to work more closely on future programmes.

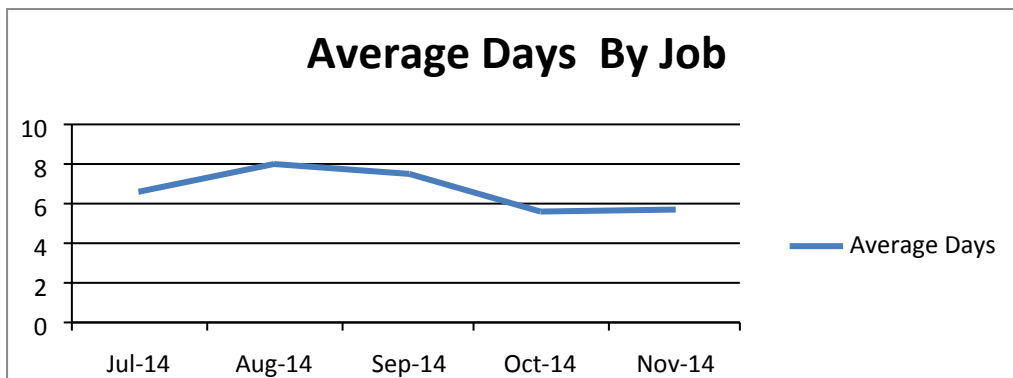
## **3.0 TUPE Transfer**

- 3.1 The contract involved the TUPE transfer of staff from 5 different organisations, which incorporated a mixture of abilities, attitudes, and cultures. Osborne have provided support and training using a very specific customer service training course, ICS First Impressions, and has a customer centred approach towards service delivery.
- 3.2 In line with the commitment made during dialogue, no redundancies have resulted following the TUPE transfer. Some staff have retired or left since they have transferred.

## 4.0 Empty Homes

- 4.1 The Empty Homes process was one of the key areas that were evaluated during the procurement process and there have been some very positive performance results in this area of the service.
- 4.2 There has been a reduction in the time to complete work on site and the teams from the Council and Osborne's work closely together and have reduced duplication and streamlined a number of areas in the process. This is being done with works being carried out to a higher standard than previously but also a greater scope of works being completed in properties.
- 4.3 The approach of carrying more works up front result in:-
- Less disruption for tenant during tenancy
  - Reduction in repair costs / disruption during tenancy
  - Better targeting of Aids & Adaptations works for not only immediate incoming tenant but future tenancies
  - Property to higher standard is easier to let
- 4.4 Osborne have completed 23 zero day jobs to date, these are jobs when the key is given to them, works carried out, and the key returned on same day.
- 4.5 The Osborne Empty Homes Team is already providing a service that is in the upper quartile of peer organisations for performance in the country.

*Average days on site – see below*



## 5.0 Repairs & Maintenance

- 5.1 Osborne have been keen to change the approach towards repairs and the emphasis has been on completing the repair, wherever possible to avoid follow on work and multiple attendances for each job. As a result there has been a slight decline in the number of repairs undertaken on a monthly basis. This approach not only is better for the tenant, but also reduces the cost to Dacorum long term as multiple visits inevitably result in greater cost.

The summary of the performance data is contained in Appendix B

- 5.2 The members of the HMEC attend the Osborne office to review operational issues and to provide input into the choice and design of the replacement kitchens and bathrooms.

This has enabled the members of the Tenant representative groups to understand the approach from the initial call handling, to scheduling the job and allocating the

correct trades, though to the customer satisfaction surveys once the work has been completed.

## 6.0 Planned Works

6.1 Osborne arranged for a number of its existing supply chain contractors to commence the delivery of the planned works, so that the engagement with the local supply chain could be undertaken and the staff that had transferred could complete their induction programme.

6.2 The planned programmes of work commenced in August, to allow the surveying of kitchens and bathrooms to be completed, so tenant preferences could be incorporated in these replacements.

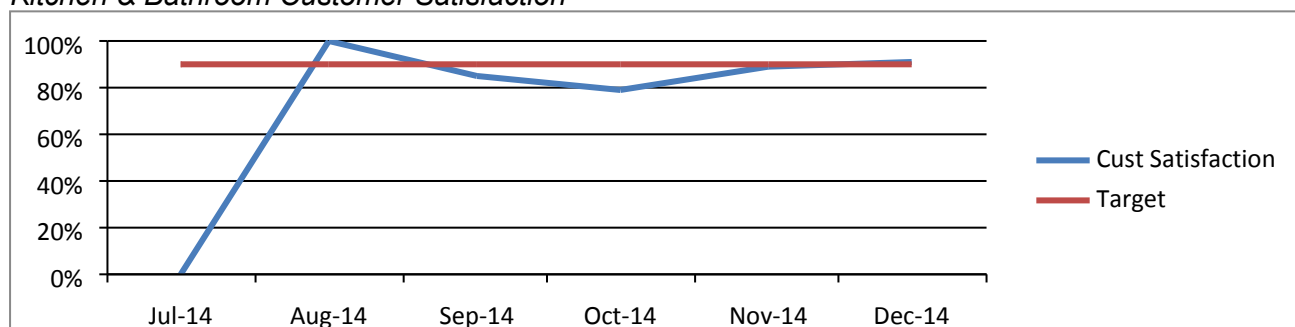
6.3 The majority of works were completed without any issues and the customer satisfaction overall was good. There were some quality and delay issues experienced with two of the sub-contractors and Osborne took decisive action to remove them from the contract. The main areas that were adversely impacted from the use of the poorly performing contractors, were Kitchens and Bathrooms and Aids & Adaptations, and due to the level of disruption and the vulnerability of the tenant group this required urgent intervention. Replacement contractors have been employed and the timescales for installations have been dramatically reduced and the quality improved.

6.5 The Planned Works is incorporating a greater scope of works than historical, especially on the kitchen & bathroom programme, whereby there is re-plastering work undertaken, re-decoration and the installation of new flooring. Tenant representatives were involved in agreeing the improved specification during the procurement exercise and this has proved to be popular.

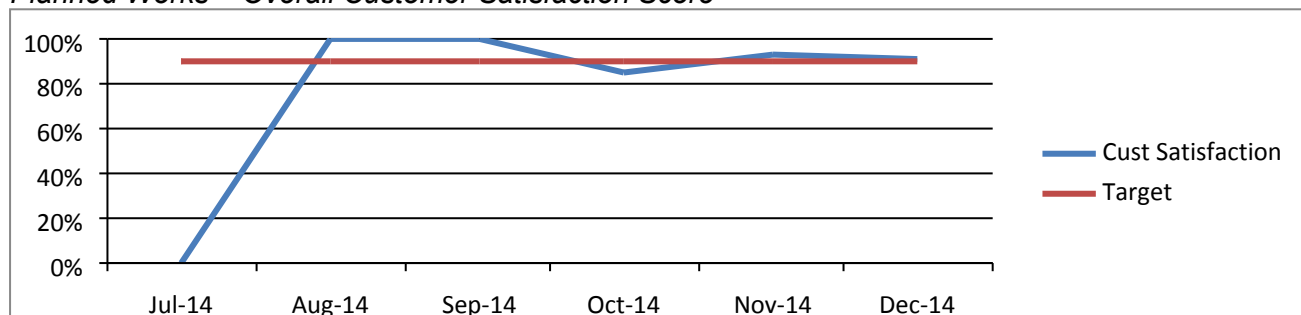
## 7.0 Customer Satisfaction

7.1 As acknowledged, there was an issue with a sub-contractor and the some changes to the site management team, which did impact the subsequent customer satisfaction scores, which saw a temporary dip during the months of September and October and subsequently there was a peak in complaints received by the Council, in November. Since then the number of complaints relating to the planned programmes have reduced and are being closely monitored.

*Kitchen & Bathroom Customer Satisfaction*



### Planned Works – Overall Customer Satisfaction Score



7.2 Taking into account all planned works, the number of properties that have had work undertaken in the first six months is summarised in the table below:

Work Stream	Number of completions to December 31st
Kitchens and Bathrooms	238
Rewires	142
Aids and Adaptations	49
External Doors	1313
Window replacement	28
External redecoration	73
Roof renewal	102
Tarmac projects	3
Garage Block refurbishment	5 Blocks
2 room internal redecoration	380 letters issued work to commence in January.

### 8.0 Out Of Hours Call Centre

8.1 An out of hours call centre was established to take the calls from Dacorum tenants and also to serve two of the other contracts, which Osborne delivers for other clients. The Out of Hours call centre was set up with a specific recruitment target for all roles to be filled by people within the Dacorum Borough area.

8.2 This has resulted in further employment within the local community, a very specific job role also allowing people with particular circumstances to gain employment when they may not have been able to otherwise.

### 9.0 Community Investment

9.1 Osborne have always taken this area very seriously and have completed a number of events already, the first one being within 3 weeks of the contract going live, which in itself is challenging as we are bedding staff into a new business. Osborne wanted to make an early statement of our commitment to the community.

9.2 Recently our Account Manager and Business Excellence Director took part in a sleep out night with DEN's at St Albans Abbey to raise money and awareness of people who are homeless and living on the streets.

9.3 A member of the office team and members of the labour workforce have been in the community putting up Christmas decorations at the Elderly Persons Dwellings throughout December.

Osborne provides a gift day per year to each member of staff and they are actively encouraged to take this working on projects within the communities they work.

## **10.0 Compliments**

10.1 Over the last two months, 5 written compliments were received in November and 7 in December and over the initial six months of the contract there have been a total of 55.

10.2 A Customer Experience Director has been employed by Osborne to assist in the service improvements which focus upon the end to end process and interaction with all members of staff involved in the delivery of the service.

## **11.0 Financial Performance**

11.1 The Open Book audit was undertaken in December and the details of any shared savings are awaited; however preliminary assessments of costs have demonstrated that there have been savings on the site based overheads by the use of a single service provider, rather than two separate contractors, which enabled more money to be invested in the works programmes.

## **12.0 Conclusion**

12.1 Despite a very challenging timescale the mobilisation and commencement of the contract was managed well and the transferring of calls and the continuity of the repairs service was undertaken without any major problems. Osborne has demonstrated a commitment to the strategic objectives of the Total Asset Management Contract and has been pro-active in supporting the development of the Asset Management Strategy.

12.2 The Total Asset Management Contract encompasses the majority of the work streams and therefore it is essential that it is delivered to the required quality standards and within the prescribed timescales. There are three of the performance indicators, which have not performed at the required levels; Percentage of repairs and voids with no defects, Jobs completed within target for responsive repairs and voids and appointments kept and this will result in a reduction in the performance related profit payable during the first six months of the contract.

12.3 There has been scrutiny of these three failing indicators to gain a better understanding of the reasons for these, some of which are due to failures to complete jobs on the operatives hand held devices, and other due to data corruption issues, both of which have been addressed and should result in a marked improvement for the final quarter's results. It has been encouraging to have results that show a transparent assessment of performance and the issues have been identified and addressed.

- 12.4 Performance in the final quarter of the year will be closely monitored and reported through the Corporate Performance Management Portal, Corvu. At financial year end a full performance review will be undertaken and compliance with the key strategic indicators assessed to determine if a one year extension will be granted.

### **Procurement Update on Specialist Engineering Services Contracts**

As part of the Council's overall repairs procurement strategy, the mechanical and electrical services were separated and divided into four packaged lots. In order to conclude the procurement and mobilisation of the Total Asset Management Contract the mechanical and electrical lots were deferred, as reported to this Committee on 11th September 2013.

This work has been divided into the following four packages:-

1. Communal boilers and heating systems
2. Lifts- divided into Passenger lifts and Stair Lifts
3. Fire Alarms and Equipment
4. Door Entry Systems

In order to benefit from economies of scale and to reduce any duplication in the procurement of individual contracts, the Corporate Buildings mechanical and electrical servicing and installation have been included within these tenders. The structure of the contracts allows for the Housing and corporate building elements to be separated in the future, should circumstances require.

The existing contracts have been aligned to complete at the same time to enable the new contracts to commence on 1st July 2015.

The new contracts are being let on the same basis as the TAM contract, the gas servicing and installation contract and the consultants' contracts, i.e. for an initial period of 5 years, with the option to extend to a maximum of 10 years, subject to achieving the requirements of the key performance indicators.

### **Progress to Date**

Due to the overall value of these contracts, they were advertised with OJEU notices that were published on 8th October 2014.

There was a good level of response and Pre-qualification Questionnaires were returned from 74 contractors, as follows:-

- 15 for communal boilers
- 16 for lifts
- 29 for fire alarms
- 14 for door entry

A comprehensive evaluation of the submissions was carried out involving assessments from finance, health & safety, HR, and their technical capability.

Initially 15 bidders were excluded due to the financial assessment, 7 due to health & safety issues and 2 for omissions of other information.

The evaluation criteria were very specific, stating only the top 6 submissions of each package would proceed and those 6 had to score above 60. This has resulted in 6 proceeding from each package; except the Door Entry package, where only 4 submissions were acceptable.

Invitations to tender were loaded on the e-procurement portal on the 11th January and final tenders are due to be returned by 20th February.

The final evaluations of the returned tenders will be undertaken and the recommendations for contract award will be reported to Cabinet on 24th March.



**Appendix A.**

TAM KPI's linked to Performance Related Profit

Key Performance Indicator		Target	% of PRP	Collection intervals	Who collects data?	How is it collected?
1.1	Defects Proportion of quality control checks passed Responsive repairs and Voids	98%	20%	Monthly	Service Provider and DBC	Recorded following post inspection completion
1.2	Defects Proportion of quality control checks passed Planned works			Monthly	Service Provider and DBC	Recorded following post inspection completion
2.1	Resident satisfaction with quality and service Proportion of responsive repair jobs completed to the satisfaction of the resident	90%	15%	Monthly	Service Provider and DBC	Service Provider and DBC to undertake satisfaction surveys
2.2	Resident satisfaction with quality and service Proportion of planned jobs completed to the satisfaction of the resident			Monthly	Service Provider and DBC	Service Provider and DBC to undertake satisfaction surveys
3	Formal complaints Proportion of projects completed without formal complaints from residents	>99%	15%	Monthly	Service Provider and DBC	Service Provider and DBC to record all complaints received
4.1	Time Proportion of jobs completed within target timescales (to be agreed during the dialogue process) Responsive repairs and Voids	TBA	25%	Monthly	Service Provider and DBC	Service Provider records
4.2	Time Proportion of jobs completed within target timescales (to be agreed during the dialogue process) Planned work			Monthly	Service Provider and DBC	Service Provider records



**APPENDIX B**

**Dacorum Borough Council - Osborne TAM KPI Performance**

Reference	Category	KPI Status	Criteria	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	YTD
1.1	Defects - Repairs / Voids	FAIL	Performance	-	91%	95%	96%	98%	98%	96%
			Target	98%	98%	98%	98%	98%	98%	98%
1.2	Defects - Planned	PASS	Performance	100%	100%	94%	86%	95%	98%	98%
			Target	98%	98%	98%	98%	98%	98%	98%
2.1	Satisfaction - Repairs	PASS	Performance	90%	94%	91%	94%	94%	93%	93%
			Target	90%	90%	90%	90%	90%	90%	90%
2.2	Satisfaction - Planned	PASS	Performance	100%	100%	99%	86%	99%	97%	95%
			Target	90%	90%	90%	90%	90%	90%	90%
3	Formal Complaints	PASS	Performance	0.22%	0.38%	0.09%	0.74%	1.14%	0.77%	0.55%
			Target	<1%	<1%	<1%	<1%	<1%	<1%	<1%
4.1	In Target - Repairs / Voids	FAIL	Performance	95%	93%	96%	93%	88%	94%	93%
			Target	98%	98%	98%	98%	98%	98%	98%
5	Health & Safety Incidents	PASS	Performance	100%	100%	100%	100%	100%	100%	100%
			Target	100%	100%	100%	100%	100%	100%	100%
6	Reducing Waste	PASS	Performance	92%	92%	92%	92%	92%	92%	92%
			Target	75%	75%	75%	75%	75%	75%	75%
7	Appointments Kept	FAIL	Performance	82%	81%	81%	87%	87%	87%	86%
			Target	98%	98%	98%	98%	98%	98%	98%
8	Right First Time	TBC	Performance	96%	96%	96%	94%	91%	89%	94%
			Target	TBC	TBC	TBC	TBC	TBC	TBC	TBC

APPENDIX A –WORK PROGRAMME 2015

**Scrutiny making a positive difference:** Member led and independent, Overview & Scrutiny Committee promote service improvements, influence policy development & hold Executive to account for the benefit of the Community of Dacorum.

**HOUSING AND COMMUNITY** Overview & Scrutiny Committee: Work Programme 2014/15

Meeting Date:	Report Deadline	Items:	Type:	Contact details:	Background information	Outcome of Discussion
4 February 2015 (Joint Budget OSC)	22 January 2015	Budget 2015-16  <i>Ideally no further items to be added</i>	Sc	M Hone, Corporate Director Finance & Operation	<i>To consider the draft budget proposals 2015/16</i>	
18 March 2015	6 March 2015	Quarter 3 Performance Report (& Q3 Operational Risk Reports)  Quarter 3 Financial Data Report  Review of the operations of the Housing Allocations Policy.  Safeguarding policy and procedures  Housing/Homelessness Appeals		E Brooks, Assistant Director, Housing J Still, Group Manager, Resident Services C Troy, Group Manager Regulatory <i>(PH – M Griffiths, N Tiley, N Harden)</i> R Baker, Group Manager, Finance  Elliott Brooks, Assistant Director, Housing  Julie Still  Julia Hedger		

*PM – Performance management*

*PD – Policy Development*

*SC – Scrutiny*

*Items to be scheduled:*

- Complaints annual report – June 2015
- Housing Appeals Update – Jan/Feb 2015
- Update on Tring and Berko Sport Centre – June 2015