



Homes for the Future

Dacorum Borough Council Asset Management Strategy
2016 - 2020





Foreword

Asset Management foreword tbc

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1.0 Introduction

2.0 Our vision

We will ensure we have the right properties, in the right places that meet the required standards and work with our tenants, leaseholders and contractors to provide good quality homes for the future.

1.0 Introduction

Dacorum Borough Council owns approximately 10,200 properties. The successful management of these properties is essential as they are the council highest value assets and the largest cost liability.

This strategy outlines the councils approach to managing demand and supply and the sustainability and condition of our stock whilst delivering a financially robust service that offers value for money.

We will use a range of activities to manage our assets including:

- Responsive repairs
- Void works
- Improvement programmes
- Disabled Adaptations
- Building new homes
- Inspections and surveys
- Estate improvements
- Risk management
- Stress testing
- Horizon scanning
- Benchmarking

This strategy will highlight how the council will proactively manage and reduce the impact on our assets of increasing cost of investment, changes to national policy, tenancy turnover and the increased demand for social housing.

2.0 Our vision

Dacorum Borough Council is committed to maximizing the benefits of our housing stock. We will ensure we have the right properties, in the right places that meet the required standards and work with our tenants, leaseholders and contractors to provide good quality homes for the future.

This strategy supports the councils corporate vision of '*...working in partnership to create a borough that enables Dacorum's communities to thrive and prosper*'.

Through effective asset management we are able to provide safe, clean and enjoyable homes and environments that support our tenants and leaseholders to build strong and vibrant communities. By maintaining, improving and increasing our housing stock we can continue to provide good quality affordable homes, particularly to those in need and ensure the economic growth and prosperity of our borough. Working with partners we can achieve efficient and modern services ultimately improving the experience of our tenants and leaseholders.



3.0 National and Local Considerations

“The changing policy environment and significant financial pressures mean housing organisations must rethink how their assets are managed and maintained.” - CIH



3.1 National changes

This strategy has been developed to align with all relevant current statutory legislation and best practice guidance.

The AMS considers relevant asset management risks, including increasing investment costs, changes to government policy, increased tenancy turnover and voids, increased housing need/demand and wider economic and demographic change

It is important we understand how changes nationally such as the move to self-financing and the introduction of the Housing and Planning Act (2016) affect Dacorum residents. Based on this understanding we can adapt our approach to asset management.

3.2 General needs 1% rent reduction and depooling

In 2015 the Government announced a 1% cut in rent this year for all our ‘general needs’ tenants. A 1% decrease in rent will be implemented each year for the next three years.

From September 2016 the council will be depooling rent and service charges for all general needs tenants. We recognise that communal areas have a significant impact on a tenants’ quality of life. Through accurate charges for the services required to maintain these areas we can continue to provide high quality services and increase transparency for our tenants and leaseholders.

3.3 Housing and Planning Act

The extension of the right to buy to housing associations could result in the council having to sell its higher value homes. Payments required will be based on an assumed level of sales. This will impact both the council’s business plan and resources.

Additionally introduction of the New English Secure tenancy marks the end of local authorities offering lifetime tenancies. Local authorities will now offer tenancies between two and ten years, with some exceptions being made for families with young children and other households considered vulnerable.

With shorter tenancies being offered it is essential that explore the balance between incentivising tenants and the use of enforcement to ensure homes are well maintained.

3.4 Local impact

In April 2012 central government ended the Housing Revenue Account subsidy system for council housing.

The Localism Act 2011 introduced new powers for councils to keep their rental income and thereby generate growth capital to fund investment in their housing stock (called ‘self-financing’).

One-off payments to or from each council were used to adjust housing debt to reflect the value of a council’s stock. Dacorum Borough Council’s settlement meant that we took on a debt of £354m.

To repay this debt the council made a practical long term assessment of the income we can generate and the value of work required to maintain the assets over a 30 year period.

4.0 Commitment to delivering a great service

8 out of 10 of our tenants are satisfied with the overall quality of their home.

8.5 out of 10 are satisfied that their rent provides value for money
– STAR Survey 2016



4.1 Our asset management commitments

To develop this strategy, the council considered a range of stakeholders including a tenant led focus group on maintenance and lettable standards and all relevant legislation

Through the STAR Survey we were able to shape this further by using feedback from tenants on their experience of our service. With this feedback, along with relevant legislation and requirements we have our four commitments for asset management. These are:

Commitment One: Our housing assets meet the current and future needs of our tenants

Commitment Two: Our tenants live in homes that are safe and maintained to the agreed standard

Commitment Three: Through investments and improvements our assets generate income and support the housing service business plan

Commitment Four: We get the best value from our assets and develop homes for the future

4.2 Working in Partnership

All of the repairs, maintenance and improvement contracts that have been entered into are based upon a Partnership model.

The contracts have been designed to incentivize the contractors to provide a high quality service and value for money. The contracts are monitored monthly and an annual review undertaken to ensure they are delivering to the promises that they made at tender stage.

4.3 Value for Money

It is important to us that our tenants feel they are getting value for money. The Council along with tenant representatives will monitor the cost for delivering the various contracts that provide the repairs and improvement services to our tenants and leaseholders. In addition we will benchmark our costs with peer organisations in the locality and undertake regular audits using external bodies to validate our approach.

4.4 Equality and Diversity

As a Housing Service we believe all Council tenants should have the opportunity to access the maintenance and improvement service regardless of; age, disability, gender, race, religion or belief and sexual orientation (Equality and Diversity Act 2010) and are committed to being inclusive with our approach. We are also determined to make sure our policies and procedures and working practices reflect this commitment. In terms of managing and investing in our assets we take the different and varying needs of the people who live in the properties into account. We recognise that some people and groups within our tenant population find it difficult to have their voice heard. By tailoring our opportunities of involvement we hope to encourage these tenants to have their say.

The Council is committed to promoting independent living and where viable undertake adaptations to properties, or offer alternative more suitable accommodation.

5.0 Commitment One: Our housing assets meet the current and future needs of our tenants

"I'm impressed with the way our block looks now, my friends are also admiring these works and feel it was a good job. The problem of moisture is gone and we feel fresh. We have everything – the doors, the balcony and outside appearance of the block. Thank you."

- Dacorum Borough Council Tenant



5.0 Commitment One

Our role as a local authority and a landlord means it is important for us to build relationships with our tenants and use information to better understand their needs. This understanding means we can make informed decisions when managing our assets and contribute to the overarching challenges within our tenant population such as an aging population and a high demand for housing. We understand that to effectively meet our tenants needs we must manage our assets in a way that is financially sustainable and targeted. To achieve this we will:

- Create targeted improvement plans based on the needs of our tenants, condition of our assets and predicted future need within Dacorum
- Where required adapt our properties to meet specific housing needs of our tenants such as older people, tenants with a disability or those considered vulnerable
- Make improvements to our properties that support the wider needs of our tenants such as reducing fuel poverty
- Ensure periodic surveys are undertaken and maintain accurate asset information to develop targeted improvement plans and determine whether assets remain fit for purpose



6.0 Commitment Two: Our tenants live in homes that are safe and maintained to the agreed standard.

“Overall performance is good and is continuing to improve” – Dacorum Borough Council Tenant Inspectors



6.0 Commitment Two

It is essential that our assets are maintained to a defined standard that complies with legal requirements in order to provide a safe environment for tenants and leaseholders. The council work in partnership with the contractors and tenants to establish priorities and obtain current information on the condition of the assets. Maintenance and improvement work must be carried out in a planned and equitable way that ensures the maximum number of properties reach the agreed standard. To achieve this we will:

- Ensure our Dacorum Standard for properties is deliverable and reflects the priorities of our tenants.
- Protect our properties against neglect or wilful damage by holding tenants accountable
- Make it easy for tenants and leaseholders to report repairs
- Depooling of service charges so we can continue to provide good quality services to our communal areas an tenants can see how their money is spent



7.0 Commitment Three: Through investment and improvements our assets generate income and support the housing service business plan

Social landlord must “link knowledge of their stock, the need for housing in response to local demand and customer aspirations, and what is affordable in the business plan.” - Housemark

7.0 Commitment Three

The Housing Revenue Account Business Plan will establish the available resources for investment, which will determine the annual programme and ability to achieve the required standard. Where possible the Council will develop additional units on small infill sites and ensure existing properties are desirable and reflects tenants’ needs. We will achieve this by:

- Ensuring the business plan is updated to reflect changes in the income levels and remains viable to enable the ongoing investment in the housing assets.
- Establish an early warning mechanism to flag potential risks that could arise from under investment in the stock or an inability to meet targets in respect of energy efficiency
- Review the impact of changes in legislation upon the ability to maintain the levels of income
- Take a proactive approach to tenancy management, recharges and enforcement in instances when tenants fail to adhere to the tenancy agreement and through neglect or wilful damage cause an increase in repair or void costs.
- Promote the sale of freeholds in blocks that are occupied solely by leaseholders



8.0 Commitment Four: We get the best value from our assets and develop homes for the future

“It is important that we assess all our options when managing our assets so we can achieve best value” – Elliott Brooks, Housing Assistant Director



8.0 Commitment Four

The Council is committed to achieving best value from the Housing assets by ensuring the stock consists of properties that are structurally sound and straightforward to maintain whilst providing homes that satisfy the needs of our tenants. We will achieve this by:

- Identifying land, whether HRA, General Fund or non-council to build additional homes to increase the number of Council owned properties available of the type and quality needed in locations where people want to live.
- Identifying and assessing opportunities to increase our stock by acquiring properties particularly where property type and location matches housing need and management arrangements.
- Identifying properties that have poor thermal performance, high maintenance liabilities and a high market value for disposal.
- Assess the viability of remodelling stock that due to age, condition or layout is no longer suitable for tenants needs.



9.0 Conclusion

The council is dedicated to meeting the needs and priorities of our tenants and the requirements of the service.

9.0 Conclusion

To conclude, this strategy demonstrates Dacorum Borough Council's commitment to having the right properties, in the right places that meet the required standards and work with our tenants, leaseholders and contractors to provide good quality homes for the future.

The strategy acknowledges changes in the external national and economic environment and how the council will continue to respond proactively. The council is dedicated to meeting the needs and priorities of our tenants and the requirements of the service. This is outlined in the four commitments.

The Council is keen to see that tangible benefits and real impacts are delivered through the Asset Management Strategy and it is anticipated that the following positive outcomes will be delivered:

- Homes which meet the locally determined Dacorum Standard and which are well managed and maintained
- Homes that meet acceptable thermal comfort levels to minimise heating costs
- A stock of properties which changes over time to provide a balanced portfolio that responds to the changing needs of our tenants
- Improved stakeholder satisfaction with the accommodation and the maintenance services provided

- A well maintained portfolio which enables the Council to manage running costs effectively and efficiently
- New projects delivered in line with the needs of the Borough and support the wider objectives of the Council through regeneration, use of sustainable products and customer engagement
- Maximise any return on investment through careful project planning
- Deliver continuous improvement through the performance management of the contractors who maintain our assets.

By achieving effective asset management, the council can continue to support its tenants, improve their quality of life and deliver a sustainable service for the future.



Appendix A

Our Assets

Appendix B

Size and type of properties

Appendix C

Non- Traditional Properties

Appendix D

Asset Information

Appendix E

Asset Risk Register

Appendix F

Dacorum Standard

Appendix

Appendix