

**REPORT TO:** CABINET OVERVIEW WORKING GROUP

**DATE:** 29 NOVEMBER 2018

**TITLE:** NON HOUSING ASSET MANAGEMENT STRATEGY – FINAL REPORT

**LEAD OFFICER:** SIMON FREEMAN, HEAD OF FINANCE AND DEPUTY TO THE MANAGING DIRECTOR (01279) 446228

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**RECOMMENDED that:**

- A** The Cabinet Overview Working Group (COWG) recommends to Cabinet that the Non Housing Asset Management Plan (AMP) attached as appendices A and B be approved.

**BACKGROUND**

1. The Council has a large and diverse non housing property portfolio which is largely a legacy of historical asset transfers. Valued at approximately £100.444 million, this portfolio generates around £6.38 million of revenue for the Council per annum. The Council's asset base also facilitates the delivery of council services and community activities.
2. Follow expiry of the Council's former Asset Management Strategy, with input from the COWG, a client brief was prepared to appoint a consultant to assist the Council in preparing a new non-housing AMP.
3. Following the successful appointment of a specialist consultant, information was gathered to inform that new AMP via stakeholder interviews with service managers from across the Council. Reviews were also undertaken in relation to:
  - a) Linked Council policy, plans and strategies;
  - b) The dimensions of the Council's existing asset base;
  - c) The Council's service accommodation requirements;
  - d) The Council's existing property management arrangements and governance; and
  - e) The wider operating context including austerity, Harlow's strategic location and growth plans.

4. Following this initial research and consultation, a draft AMP was prepared setting out the Council's future vision and strategy. This draft was then reviewed and further developed in consultation with a Member Focus Group set up by the COWG. The final AMP sets out the conclusions reached by Property Officers and the Member Focus Group.
5. A two part AMP has been proposed to separate strategic overarching policy principles (Part 1), from property specific short term interventions and actions (Part 2). By adopting these two separate elements to the AMP, each with a different 'design life', the strategic policy in Part 1 of the AMP can remain consistent over a number of years, whilst Part 2 of the AMP can be regularly reviewed and updated.
6. Part 1 of the new AMP identifies high level the overarching key strategic policy and resource influences affecting the Council, and in response sets out the direction for asset management in the long term. Part 1 is intended to have a five year horizon.
7. Part 2 of the AMP details the segregation of the Council's asset base and highlights a number of property specific actions that will be implemented over the short term as part of delivering the Asset Management Strategy. It is intended that Part 2 of the AMP is a live document that will be kept constantly under review and updated on an annual basis.
8. One of the key management changes identified in the AMP is an approach which formally recognises different property sub-portfolios, including an 'opportunity portfolio' consisting of assets which are considered to have latent value.
9. It is intended that, through active management and investment the latent value of the opportunity portfolio be exploited over time, and that as a result the portfolio is nurtured and grown. This sub-division into discrete portfolios reinforces what is being done informally and allows a specific management focus to be given to each distinct portfolio.
10. In order to fully embed the new Asset Management Framework throughout the organisation, the AMP recommends that a Property Board is established, made up of Property Officers and Senior Managers from across the organisation. This new Property Board will act as an advisory body to oversee strategy implementation.
11. The new AMP identifies a number of separate follow on work streams including the refinement of the Council's asset data sets, the further development of a mechanism for property performance monitoring, the refinement of a detailed five year capital investment strategy, the establishment of a new homes delivery mechanism and preparation of a Community Asset Transfer Policy. Upon adoption of the new AMP, it is intended that Property Officers will further progress these linked work streams.

## **IMPLICATIONS**

### **Place (Includes Sustainability)**

The development of the portfolio will potentially have implications for the planning and building control teams to ensure statutory compliance for any new developments. Additionally however, the creation of an Opportunity Portfolio has the potential to make a positive contribution to the Council's employment land targets within the context of the emerging new Local Plan.

**Author: Andrew Bramidge, Project Director – Enterprise Zone and Interim Head of Planning on behalf of Graeme Bloomer, Head of Place**

### **Finance (Includes ICT)**

The Asset Management Strategy sets out the framework for future capital decisions which will be incorporated within future reports to Cabinet.

**Author: Simon Freeman, Head of Finance**

### **Housing**

As contained with the report.

**Author: Andrew Murray, Head of Housing**

### **Community Wellbeing (Includes Equalities and Social Inclusion)**

The Asset Management Strategy and establishing a Property Board will ensure there is a strategic approach to the Council's assets which can be aligned to the Council's regeneration priorities.

**Author: Jane Greer, Head of Community Wellbeing**

### **Governance (Includes HR)**

Strategic planning together with appropriate delegations and transparency of decision making supports good Governance in asset management.

**Author: Colleen O'Boyle, Interim Head of Governance**

## **Appendices**

Appendix A – Harlow District Council Non-Housing Asset Management Plan Part 1 (Operating Contest & Strategic Direction)

Appendix B – Harlow District Council Non-Housing Asset Management Plan Part 2 (Current Position & Future Intentions)

## **Background Papers**

None.

## **Glossary of Terms/Abbreviations**

AMP - Asset Management Plan

COWG – Cabinet Overview Working Group