

**SUPPLEMENTARY REPORTS FOR
CABINET
Thursday, 6 December 2018 at 7.30 pm
Council Chamber, Civic Centre**

The attached documents are due to be considered at the meeting listed above and were unavailable for circulation when the agenda for the meeting was published. The agenda item to which the documents relate is noted below.

AGENDA

17. Communications from Committees/Working Groups/Parties and Panels
 - b) Referral from Cabinet Overview Working Group - Non Housing Asset Management Strategy (Pages 2 - 64)
 - c) Referral from Cabinet Overview Working Group - Local Council Tax Support Scheme Proposals 2019/20 (Pages 65 - 109)

REPORT TO: CABINET

DATE: 6 DECEMBER 2018

TITLE: REFERRAL FROM CABINET OVERVIEW
WORKING GROUP – NON HOUSING ASSET
MANAGEMENT STRATEGY

PORTFOLIO HOLDER: COUNCILLOR JOHN STRACHAN, PORTFOLIO
HOLDER FOR REGENERATION

LEAD OFFICER: SIMON FREEMAN, HEAD OF FINANCE
(01279) 446228

CONTRIBUTING OFFICER: WILL HALES, PROPERTY AND FACILITIES
MANAGER (01279) 446852

This is a Key Decision
It is on the Forward Plan as Decision Number I001163
Call-in Procedures may apply
This decision will affect no ward specifically.

RECOMMENDED that:

- A** The Non Housing Asset Management Plan (AMP) attached as appendices A and B be approved.

REASON FOR DECISION

- A** To raise the profile of property as a strategic resource and to articulate a long term vision for the asset base.
- B** To put in place a clear informed strategy for managing the Council's diverse portfolio of non-housing property assets.
- C** To set a context for decision making on property matters including a rigorous challenge process to ensure assets are well managed, efficient and held for the specific purpose of delivering the Council's corporate priorities.
- D** To identify actions, performance measures and review mechanisms.

BACKGROUND

1. On 29 November 2018, the COWG considered a report on the Non Housing Asset Management Strategy.

ISSUES/PROPOSALS

2. The COWG resolved that the Strategy be referred to Cabinet adoption.

IMPLICATIONS

Implications of the recommended decision are outlined in the 'Implications' section of the original report, which is attached as Appendix 1.

Appendices

Appendix 1 – Original report to the Cabinet Overview Working Group, 'Non Housing Asset Management Strategy – Final Report'

Background Papers

All original reports to the Cabinet Overview Working Group can be viewed from <http://moderngov.harlow.gov.uk/ieListDocuments.aspx?CId=250&MId=1078&Ver=4>

Glossary of terms/abbreviations used

COWG – Cabinet Overview Working Group

Appendix 1

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

CONTRIBUTING OFFICER: WILL HALES, ACTING ESTATES AND FACILITIES MANAGER (01279) 446852

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

Harlow Council

Non-Housing Asset Strategy

Part 1 Operating Context & Strategic Direction

October 2018



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Property Asset Strategy

Part 1 – Operating Context & Strategic Direction

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Executive Summary

As Harlow celebrates its 70th anniversary and looks forward towards its centenary as a New Town it faces a period of challenge and opportunity.

The challenges arise from anticipated population growth from new homes in and adjoining Harlow, including the proposed Harlow and Gilston Garden Town, the infrastructure to facilitate this growth and the need to renew the ageing infrastructure of the existing town. This growth has to be accommodated whilst sustaining the overall ethos of the existing town and protecting the existing neighbourhoods and green spaces.

These challenges also provide opportunities. The projected growth over the medium term can be a catalyst for improving prosperity in Harlow, by creating new jobs, attracting new people and business and in revitalising the town centre, making it a sub-regional hub rather than a district shopping centre.

The land and property that the Council owns must play its part in ensuring these opportunities are realised. Property can both consume and generate revenue (from operating costs or from lettings) and plays a significant role in supporting the Council's revenue budget which is used to provide Council services to the residents and visitors to Harlow.

Property also has long term latent value which can be realised through development or strategic use. It is this long term opportunity the Council needs to capture and to exploit for the benefit of the Harlow and its residents. Over the long term the Council must **use property to promote renewal of the public realm and to ensure financial security.**

This strategy is focussed on taking a strategic perspective on the land and property assets the Council owns and in reviewing these assets to identify those with longer term 'opportunity' value. The identification and subsequent development of these to release value will require new approaches in terms of capacity, expertise and potential delivery models. These are all early actions arising from this strategy. This strategic emphasis is in addition to the day to day operational of the Council's property assets which remain of critical importance to the Council's budget and operations.

1 Introduction

1.1 Purpose & Scope of Strategy

Property is a key resource of the Council. It has value, costs money to use and maintain, and is critical in meeting the objectives of the Council. The Council has a vision for a '*Fairer Harlow*' and a '*Harlow to be proud of*' and in projecting '*Harlow as a great place to live, work and visit*'. To realise this vision, Council property must be managed to support growth and community vibrancy whilst also protecting the Council's financial security by supporting the revenue budget.

This Property Asset Strategy identifies the policy and resource influences affecting the Council, and in response to these sets a broad direction for asset management over the medium term enabling its property portfolio and associated professional support to be optimised to meet identified needs. It is intended to facilitate rational property decision making based on the Council's priorities. The plan has a 5-year horizon with annual reporting on progress, and revisions will be made if there are changes in local or national circumstances. The strategy is restricted to consideration of property assets that the Council owns or uses (but excludes the Council's housing assets which are considered through a separate strategy) and sets a programme of action over the medium term. More specifically the asset strategy seeks to:

- Raise the profile of property as a strategic resource of the Council
- Articulate a long term vision for the asset base linked to Council priorities
- Provide a clear framework for managing the Council's property portfolio
- Set a context for decision making on property matters, now and in the future
- Identify actions, performance measures and review mechanisms
- Provide radical but realistic property solutions to support Council's priorities

1.2 The Importance of Property

The Council places strong emphasis on the importance of property. It recognises that how property is used can influence the quality of life for citizens and create a sense of place. Property both consumes money (from use and maintenance) and generates money (from lettings) and the Council needs to balance these two perspectives in its management. Whilst this strategy focuses on more strategic aspects of property, the Council recognises that its operational management is critical in underpinning services, providing facilities and in supporting the Council's revenue budget.

1.3 Overview of Harlow

Harlow is a former Mark One New Town in the west of Essex, on the border with Hertfordshire and in commuting distance south to London. It occupies an area of land on the south bank of the upper Stort Valley with the M11 motorway passing through the east of the district. It has a population of 85,995 (Mid-year estimate 2016) and a high proportion of social housing, a legacy of its origins in re-housing London families after World War II. The master plan for Harlow drawn up in 1947 contained landscape wedges which were designed to separate the neighborhoods of the town and which survive today. Each of the town's neighborhoods is self-supporting with its own shopping precincts and community facilities. Since becoming a new town, Harlow has undergone several stages of expansion. The administrative area is relatively small and a significant proportion of the land within its boundaries is designated as Green Wedge or Green Belt which gives the town a unique character but limits development opportunities.

1.4 Overview of the Portfolio

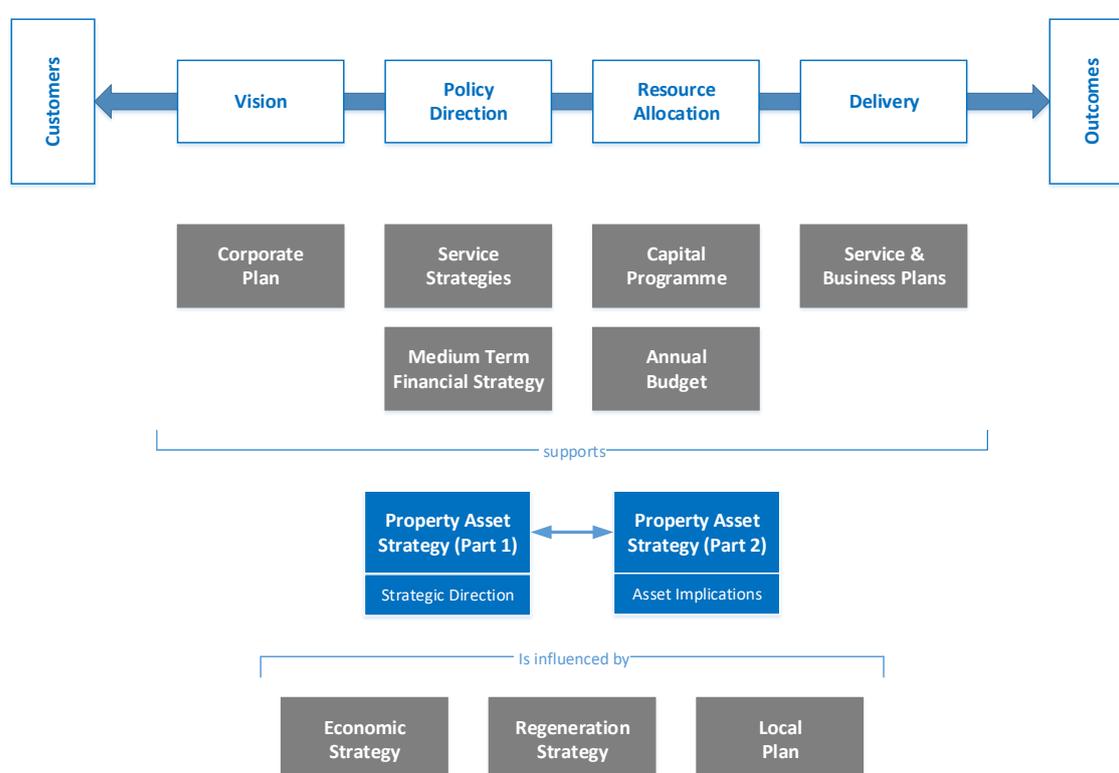
The Council has a diverse portfolio. Its basic dimensions are provided in the table below and the nature of the portfolio is explained further through Section 5. The current portfolio is predominantly a legacy of historical asset transfers associated with Harlow's status as a new town. A brief history of this is given in Appendix A.

Total Number of Properties			
493properties ¹			
Value	Cost	Income	Condition
£100,444m For capital Accounting ²	£3.504m Annual running costs	£6.380m Generated from lettings	£13.823m Estimated repair requirement ³

1. Figure excludes the Council's 7,801 General fund Housing Garages.
2. Figure taken from the Council's Technology Forge database (this includes the Council's General Fund Housing Garages).
3. Excludes those costs that are the responsibility of Harlow's occupying tenants.

1.5 Format & Links to Other Plans

This property asset strategy does not exist in isolation. It is closely linked to a range of other plans as identified below. It both supports, and is informed by, these other plans. The property asset strategy is in two parts. This part, Part 1, is concerned with setting the broad operating context and strategic direction for asset management; whereas Part 2 identifies the implications of this in terms of management action for individual assets (or collections of assets) the Council owns or occupies. The property asset strategy is itself amplified through other property policies and procedures. Finally the strategy is both internally and externally facing.



2.0 Operating Context

2.1 Influences for Change

There are a range of influences driving change in Harlow area and to which the Council must respond through its portfolio management. These can be recognised nationally and regionally and also locally through the Council’s own policies. These set a broad operating context impacting directly or indirectly on Harlow.

National

- **Public Spending Constraint** - In the medium term the national context is shaped by uncertainty over Brexit and significant national debt which needs to be reduced. This means restrictions on public spending and a drive for efficiency savings. This emphasis on efficiency allied with rising demands on Council services implies a need for **public service transformation**. An assumption through national spending reviews is that property can contribute to efficiency savings through capital receipts from disposals or reduced running costs.
- **Localism & Place Shaping** - The Government's localism agenda has a focus on decentralisation. Voluntary groups, social enterprises, parish councils and others have a 'community right to challenge' local authorities over their services and in future could compete to provide services. New rights mean communities can ask councils to list certain assets as being of value to the community and bid to buy assets if any come up for sale. There is also potential for the transfer of the management or ownership of council land and buildings to a community organisation at less than market value to achieve a local social, economic or environmental benefit. There is also a focus on promoting sustainable communities with an aspiration to create vibrant areas, which are attractive places, to live, work and play with part of this concerned with encouraging community participation and place shaping.
- **Partnership Working** - There is a strong drive for partnership working. This is seen as both a policy and resource imperative exemplified through the **One Public Estate** (OPE) initiative which is focussed on managing collective public property assets in an area as a single portfolio. The aims of OPE are to generate receipts, reduce running costs and liabilities; promote growth through supporting housing development and job creation; encourage optimal use of assets through co-location and sharing arrangements and support customer focussed services through service integration.
- **Health & Social Care Integration** - There is a national drive to integrate health and social care which will have implications for both council services and their property portfolios. The **Naylor Review** of the health sector estate (2017) identified that without investment the NHS estate will remain unfit for purpose. To meet the Department of Health targets to release £2bn from assets for reinvestment, and deliver land for 26,000 new homes, will require

capital plans aligned to clinical strategies that maximise value for money (including land sales) and address backlog maintenance. Use of publicly owned land and property as a catalyst for housing growth is also increasing and likely to be a national priority as affordability of housing becomes a more pressing issues.

- **Population Growth & Housing Need** – Within the UK there is a housing shortage and with houses being built too costly, of poor quality and often in the wrong places. As the UK population continues to grow, due to a combination of rising life expectancy, high birth rate and high net immigration, it will place further pressures on housing and rising prices. A housing shortage has been described as the ‘biggest risk’ to the UK economy by the Governor of the Bank of England. Research indicates the UK needs a minimum of 240,000 new houses per year in order to meet demand.¹

Regional & Local

- **London – Stansted – Cambridge Corridor** - Harlow is positioned within the London to Cambridge economic growth corridor. This corridor has significant growth opportunities because of its road, rail and transport links between London and the significant science and high tech industrial clusters at Cambridge. The corridor has important growth sectors for the UK such as life sciences, medical, technology, low carbon and distribution with much of the current investment in the corridor being market driven. The corridor will present Harlow with significant infrastructure challenges but also opportunities in terms of job creation and rising prosperity.
- **Digital Innovation Zone (DIZ)** – The importance of the digital delivery of public services is being increasingly recognized. Local authorities across Essex and Hertfordshire have combined to create a Digital Innovation Zone. The geography of this area, which has a population of over 450,000, forms a functional economic market area and is also the core of the London – Stansted – Cambridge economic growth corridor. The DIZ is intended to coordinate investment and action in digital technology across partners in order maximize the opportunities it can provide for public services, including joint working. The DIZ will develop a plan for digital investment and applications, identify and deliver digital investment projects and target

¹ These comments have been referred to in a number of sources including the Chancellor’s statement and Population Matters – “Population and Housing” – July 2015

external funding sources.

- **Harlow & Gilston Garden Town** – In January 2017, the Government confirmed Harlow & Gilston as one of three new garden towns in the UK with a package of funding to facilitate their delivery as part of an initiative to respond to the national shortage of housing. A garden town is a development of more than 10,000 homes and the target for housing growth in and around Harlow for the period up to 2033 is 16,000 dwellings of which 9,200 will be in HDC's administrative area with the remaining adjacent to the area. As a garden town there will be the potential for the Council to access infrastructure funding such as the Housing Infrastructure Fund.
- **SELEP** – Harlow is within the South East Local Enterprise partnership (SELEP) which as a body is focused on driving growth and creating jobs. SELEP has £570m of Local Growth Funding for the region, which covers either side of the Thames including Essex, Kent & East Sussex, from the government's Growth Fund. SELEP determines priorities for investment in roads, buildings, and facilities in the area as part of an integrated approach to infrastructure delivery and also seeks to leverage in private sector funding as part of its approach.
- **Local Plan** – The new Local Plan for Harlow is subject to final consultation prior to its processes for adoption. This will set out plans for housing, jobs and infrastructure and a spatial strategy identifying the areas of change up to 2033. Given the constrained geographical nature of its administrative area and the anticipated housing and population growth, the Council will have to work with adjoining authorities in order to meet the developments required but also to protect Harlow's open space from inappropriate development. Nearly half of the land within the Council's boundary is open space, with one fifth designated green wedge and one fifth designated as green belt land. Housing allocations in the Local Plan may give the Council opportunities with respect to its own land holdings.
- **Town Centre Area Action Plan** – As part of the Local Development Plan process the Council will develop an Area Action Plan (AAP) for the town centre. This will enable the development of a detailed spatial planning framework to inform the development and regeneration of the town centre. The AAP will need to consider future development opportunities, uses and needs that can inform a Master Plan for the town centre based on robust evidence. Consideration will need to be given to the impact of the wider

growth in the Harlow area, views of existing stakeholders represented in the town centre and partner organisations to create a vision for a successful, vibrant and sustainable centre.

- **Public Health Science Campus** – Harlow will be the location for the Government’s plan to bring all the public health laboratories onto a single integrated campus which will also include Public Health England’s (PHE) headquarters. Outline planning permission has been approved for the development at the former GSK site and construction work on the PHE’s national science hub will start in 2019 with occupation starting in 2021.
- **Enterprise Zone (EZ)** – The Council currently owns 27 acres of the London Road North EZ site out of 37, with a CPO currently in place to secure the remaining 10 acres. The Council will work with its development partner to develop Harlow Science Park. The Council will retain the freehold, all communal parts and landscape areas but lease out, or potentially dispose of plots. The business rates will be used to repay associated debt leaving income generated from leasing or cash realized from disposals available to support the Council’s revenue and capital budgets or to be used for re-investment into new opportunity sites or to renew existing property assets.
- **Junction 7a of M11** – Planning permission has been granted to allow junction 7a and improvements to Gildea Way in Harlow. The junction is planned to open in 2021 and will support economic and housing growth in Harlow. The new junction will create a key east/west link to help move traffic to and from via the M11, reduce congestion on the north/south links through Harlow and towards Junction 7 and support housing and business development; including at the Council’s Enterprise zone.

2.2 Council Priorities

Through its Corporate Plan the Council has identified its vision for ‘**A Fairer Harlow, A Harlow to be Proud of**’. The Council’s priorities expressed through the plan are:

- More and better housing
- Regeneration and a thriving economy
- Wellbeing and social inclusion
- A clean and green environment

- Successful children and young people

Underpinning these priorities the Council has defined three core operating principles. These include: being a community leader, sound resource management and equalities and fairness.

2.3 Resource Context

In common with all other councils, Harlow is facing public expenditure constraints and cuts to external grant funding from central government. The Council's medium term financial plan (MTFP) has a 3 year horizon 2018-2021 with no shortfall in the revenue budget if identified options for future savings are realised. This balanced budget position is dependant however on meeting these savings targets. The Council has sought to dispose of assets in order to sustain non-housing capital investment or to lower revenue costs but declining capital receipts from property are leading to an increase need to borrow. There is currently provision within the MTFP to borrow £2m per annum for non-housing capital projects. Property letting is the single biggest single income generating activity of the Council producing a rent of £6.38m compared with the Council's general fund budget of £10m. There is an expectation for property to continue to sustain or increase its level of contribution to the Council's budget.

2.4 Challenges in the Portfolio

A number of issues have been recognised with respect to the current portfolio. These are summarised below and have been identified as they required a response to be defined through this strategy. These problems and pressures include:

- ***Legacy of under investment*** – the portfolio has suffered from historic under-investment and thus in general comprises ageing buildings which are in a poor condition, not fully 'fit for purpose' and inflexible in terms of meeting future service needs. As a new town the building stock is broadly of the same age and consequently maintenance issues are coming to the fore at the same time. There is a mismatch between annual spend on maintenance and the condition of the building stock which may lead to a growing future liability for the Council. This under investment can also be exacerbated because of the

lack of a clear prioritisation mechanism to allocate scarce capital and revenue resources to meet maintenance needs.

- **Profile of property** – whilst there is recognition of the importance of property and its ability for community outreach and income generation there is also a tendency to view its management as largely a technical activity focused on day to day operational matters. The profile of property as a strategic resource and its potential to act as a catalyst for growth and regeneration needs to be raised which may have implications for the Council’s capacity in this area.

- **Governance** – Alongside the profile of property within the Council there are some perceived deficiencies in existing governance arrangements. This includes the lack of a corporate asset management group (or the equivalent) as a senior cross-council forum through which to discuss strategic property matters and a lack of clarity around the prioritisation mechanism for the capital programme.

- **Statutory compliance in Commercial portfolio** – Whilst the Council discharges its statutory responsibilities as an occupier and landlord for its operational and commercial properties, there are also tenant responsibilities (such as electrical, gas, water & fire testing certification) that need to be undertaken. The Council recognises the need to take a proactive role in its capacity as landlord to ensure all tenant statutory responsibilities are being undertaken.

3 Strategic Direction

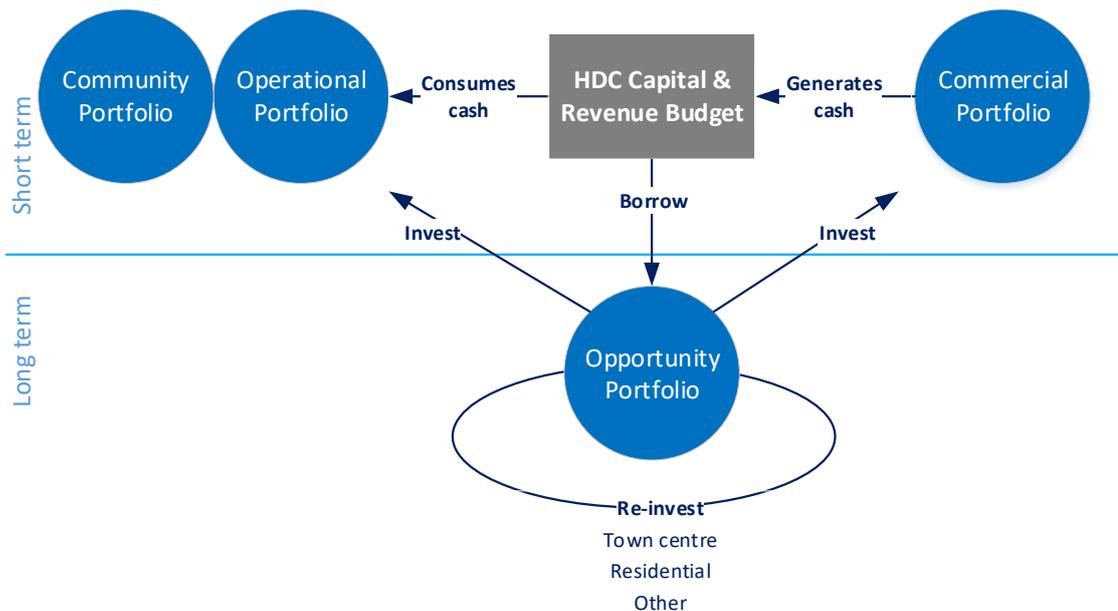
3.1 Overall Direction

The operating context for the Council identified above in section 2 means the Council faces significant challenges over the next 15 years. These are around accommodating large scale housing growth and associated infrastructure within a tightly constraint geographical area with protected open space. Through this period of change, it is essential to maintain the strong philosophy of Harlow based around self-sustaining neighbourhoods closely interconnected to each other and the Town centre through green wedges. However, the future also offers opportunities. In particular the potential to regenerate neighbourhood and town centres so that the ‘older’ areas are not disadvantaged in comparison with the ‘new’ areas and the opportunity to

improve prosperity for the town generally with more and better housing and creation of new and different jobs.

The Council’s property portfolio must play its role in responding to these challenges and opportunities. Essentially the Council’s portfolio can be divided into 3 broad sub-portfolios. These are operational assets concerned with providing Council services or supporting community needs which tend to be cash consuming (from maintenance and changing service standards) and commercial assets which are principally located in neighbourhood hatches which are cash generating and are important in terms of supporting the Council’s revenue budget. In the future the portfolio must sustain its support to the Council revenue budget but also contribute to the improvement of its existing operational and community assets. This implies a direction for asset management around *using property to promote renewal of public realm and to ensure the Council’s financial security*.

This may require the creation of a different sub-portfolio of assets – opportunity assets - which have long term latent value that can be exploited to provide revenue or capital to support this defined direction for asset management. The opportunity assets can over time create revenue or capital and potentially use borrowing to grow its asset base and through this create funds for re-investment into existing Council assets, the town centre, residential or other schemes. This is shown in the conceptual model below. This can be implemented in a variety of ways, but critically in the short term to medium requires a commitment to ‘ring fence’ revenue or capital generated for re-investment into new opportunity assets to grow long-term asset value.



3.2 Key Themes

This future direction for asset management is underpinned by six inter-related broad themes around which future action and resources need to be coordinated. The first five are more strategic, innovative themes around implementing this strategy, whilst the sixth theme recognises the importance of on-going management of the existing portfolio as this more strategic work proceeds.

- **Segmenting the portfolio** – The key management change looking forward is an approach which recognises different sub-portfolios and the creation of an ‘opportunity portfolio’ which contains assets which have latent value that can be exploited over time for the benefit of the Council and community. This sub-division into discrete portfolios reinforces what is being done informally but allows a specific management focus to be given to each portfolio.
- **Growing the opportunity portfolio** – Part of the Council’s challenge looking forward will be to identify sites in its ownership or which it can acquire that have long term value to be exploited. These could be potential housing sites or sites with development potential. In order to generate longer term revenue or capital it will be important to grow the opportunity portfolio over time.
- **Partnership working** – Integration is at the core of public service reform with the benefits of both service improvement and cost reduction well known. Making shared asset use happen in reality, however, is hard. The Council needs to review its asset base (in conjunction with partner organisations) to identify opportunities to rationalise property holdings or to create modern joint use facilities. The review of issues and opportunities for the town centre provides an opportunity to undertake a ‘locality review’ of all public sector assets in the town centre to identify potential rationalisation scenarios.
- **Enhancing delivery capability** - The nature and pace of change to the portfolio implied through the operating context identified in section 2 and the response articulated above also requires change to governance, processes, capacity and culture of the Council in order to support its implementation. Perhaps the most significant changes are the recognition of property as a strategic resource with associated expertise and a cultural change to embrace more innovative, commercial approaches with potentially increased risk.

- **Evaluate Delivery mechanisms** – The Council can manage and develop opportunity sites by itself, although this will require, focus, capacity, expertise and perhaps a more entrepreneurial approach than currently exists. However given the nature and potential scale of work ahead it would also be prudent to consider alternative delivery mechanism. These could include working with a strategic partner (such as HTS or others) and also consideration of placing assets into a ‘development company’ as a mechanism of transferring the development risk whilst sharing in the value creation.

- **Business as usual** – It should be recognised that the themes identified above imply actions which are over the operationally focussed activities concerned with managing the Council’s portfolio on a day to day basis. It is important to recognise that the programme of work around this operational management of the portfolio will need to continue alongside any more strategic initiatives.

3.3 Making it Happen - A Framework for Action

Looking forward there are a number of actions required to support the direction and key themes identified above. An action plan is presented below. The resource implications and timing of these actions are not identified in any detail. Given the Council’s resource constraints it will need to determine the relative priority of each action, the risk of not undertaking it and the potential scale of benefits which will be delivered. It should be noted that the identified actions are over and above those associated with day-to-day asset management activities.

3.4 Implementation Risks

In implementing the strategy there are some specific issues that require careful consideration. These are:

- **Commitment to concept** – It will be important to ensure a proper understanding of the strategic direction articulated through this strategy and in particular to the concept of an ‘opportunity’ portfolio. This is a new approach for the Council, based on a longer term planning and delivery horizon than would be normal. It also has implications in terms of ‘ring fencing’ the value realised from this portfolio and how it will be used in the future.

- **Attitude to risk** – The Council’s overall attitude to risk may determine its scope of ambition in growing the opportunity portfolio and the preferred option for delivery. There may be varying merits and drawbacks in alternative delivery approaches which will need to be evaluated
- **Organisational expertise** – The Council may need to recognise that the approach articulated through this strategy may require additional strategic, commercial expertise rather than simply technical property expertise. There will need to be an assessment of existing capacity and expertise to ensure the right mix of strategic and technical skills are available to progress the strategy.

The critical success factors in implementing the strategy is ensuring an agreed common understanding of the approach (and its implications), matching the scale of ambition and delivery approach to the culture of the organisation, strong leadership and the appropriate mix of strategic and technical skills.

Property Asset Strategy
Part 1 – Operating Context & Strategic Direction

A Framework for Action

Theme / Asset	Action	Term	Milestone
Segmenting the portfolio	▪ Define the rationale and management objectives for each portfolio	Short	Dec 2018
	▪ Review existing assets to categorise all asset into the portfolios	Short	Dec 2018
	▪ Identify key performance measure for each portfolio	Short	Mar 2019
Enhancing delivery capability	▪ Establish a Strategic Property Board and its Terms of Reference to oversee the strategy	Short	Mar 2019
	▪ Assess strategic capability and capacity of Property & Facilities Team	Short	Sep 2019
	▪ Identify lead focus (Project Manager) to progress on opportunity portfolio	Short	Sep 2019
	▪ Review capital prioritisation process – template for bids, scoring model & post project evaluation	Short	Jun 2019
	▪ Move to single source for core property data based on Technology Forge	On-going	Annually
Growing the opportunity portfolio	▪ Review existing sites to identify any with latent development potential	On-going	Annually
	▪ Identify & define potential options for developing value (use / time / feasibility)	On-going	Annually
	▪ Re-designate identified sites as part of the opportunity portfolio	Short	Dec 2018
Partnership working	▪ Create ‘concordat’ to encourage commitment to joint working	Short	Dec 2019
	▪ Undertake locality review to identify rationalisation scenarios for town centre	Medium	Mar 2021
	▪ Review potential to secure funding support through One Public Estate (OPE)	Short	Mar 2019
Evaluate delivery mechanisms	▪ Identify broad options for developing out opportunity assets	On-going	Annually
	▪ Evaluate options to determine ‘best fit’ with HDC outlook + culture + ambition + risk & return	Short	Mar 2020
	▪ Develop Outline Business Case for preferred delivery approach	Short	Mar 2020
Business as usual	▪ Manage the investment portfolio to maximise income	On-going	Annually
	▪ Maintain and ensure the statutory compliance of the portfolio	On-going	Annually

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4 Asset Management Policy & Practice

This section briefly describes the Council’s approach to asset management. It highlights how the Council does things, identifying key decision making processes and asset management related policies. A fuller list of the key policies and procedures is provided in Appendix C.

4.1 The Role of the Property & Facilities Team

The property portfolio is managed by the Property and Facilities Team. It undertakes directly, or through commissioned work, a diverse range of activities. These include those that change the size and nature of the portfolio, those that protect and enhance buildings and those concerned with services to and within buildings. In addition it undertakes a range of miscellaneous ancillary activities on behalf of the Council. An illustration of the scope of work is shown in the diagram below.

Property Asset Strategy

Part 1 – Operating Context & Strategic Direction

DEFINING

Strategy		
Member Liason	Property Strategy	Policy Development

MANAGING

Contract Management & Commissioning		
Contract Management	Commissioning & monitoring	Performance & financial monitoring
Programme definition	Programme monitoring	Business case development
Client Side Advice (Estates)	Client Side Advice (Maintenance)	Client Side Advice (Design)

DOING

Estate Management	Hard FM	Soft FM	Capital Projects	Energy & Utilities
Acquisitions & Disposals	Condition Surveys	Back Office Services	Feasibility Studies	Energy Management
Manage Valuations (outsourced)	Planned Maintenance	Waste disposal & recycling	Business Case & Options Appraisals	Carbon Efficiency
Rating appeals	Reactive Maintenance	Caretaking	Whole Life Costings	Utility Procurement
General estate management	M & E	Cleaning	Post Project Evaluations	Validation & billing
Granting & Renewing of leases & licences	Minor Works	Security	Client side Project Management	Miscellaneous
Rent reviews	Access Audits & Remedial Works	Premises management	Delivery of Project Management	
Dilapidations	Statutory compliance*	Room bookings		
Property Review	Emergency Call Out			
Data management & GIS	Un-adopted Highway Inspection Regime			
Local Land & Property Gazetteer	* In conjunction with Corporate Compliance Team			
				Bus station management
				Road closures
				Street naming & numbering
				Sports pitches book
				Transparency data
				Plan Production
				Land Registration
				North Essex Parking Partnership

4.2 Organisational Arrangements

Asset management has traditionally been seen as a technical, operationally focussed discipline. However, this is changing and increasingly it is being recognised as a strategic activity which can contribute to the Council’s corporate objectives. The strategic lead for asset management is undertaken by the Head of Place which means that asset management matters are represented at the highest officer level and through the Council’s Senior Management Board. The Head of Place, Cabinet, and Portfolio Holder for Resources, set the direction for asset management.

The day-to-day focus on asset management is provided by the Property and Facilities Manager who leads on development and implementation of the Non-Housing Asset Management Plan. Asset management is now assuming a higher profile within the council with its scope, purpose and value being increasingly recognised across the organisation. However, there is sometimes difficulty in balancing strategic and operational aspects of managing the portfolio with capacity and expertise often unavoidably directed to the more operational aspects of portfolio management at the expense of the strategic aspects.

Since February 2017, property and grounds maintenance has been provided primarily by the HTS Group, a company set up by, and wholly owned by the Council. HTS also undertake building maintenance and cleaning, and there are other services that have been procured by the Council which include: lease renewal and rent review negotiations; asset valuations; mechanical, electrical and gas testing; water hygiene; and fire compliance.

4.3 Governance & Decision Making

The Council recognises the importance of the assets it holds and how these need to be; safeguarded; used efficiently and effectively; adequately maintained; properly accounted for. The Council's Constitution sets out how the Council operates, how decisions are made, the procedures that are followed, and the allocation of resources to deliver the services it is responsible for reflecting its priorities and service plans. The Constitution details those matters reserved to Full Council, Cabinet, Committees or Portfolio Holder as well as a Scheme of Delegation to Officers.

The Head of Place is responsible for the functions of Property and Facilities Management which repairs, insures and employs agents and contractors to preserve the Council's land and property. The Service prepares a revenue and capital budget which has regard to legal and policy requirements and is integrated into its plan. Along with the other Council Services it develops a three-year plan which is articulated in the Medium Term Financial Strategy for the Council.

Property and Facilities Management maintain budgetary control within its service to ensure income and expenditure is properly recorded and accounted for. Assets whose costs outweigh their benefits are recommended to Cabinet for disposal. Capital proposals undergo a project appraisal, and forms part of the investment

strategy, which is prioritised into a capital programme to maximise benefits for approval by the Full Council.

4.4 Identifying Property Needs

The asset needs of services are considered through their service plans and properties are considered in terms of their suitability, maintenance liabilities, running cost performance and likely match with future requirements. Individual services are responsible for defining their future property needs and funding requirements although individual projects requiring capital funds are prioritised in accordance with the Council's overall corporate priorities having regard to health and safety, and contractual responsibilities.

Condition, statutory compliance, fitness for purpose, sustainability and regeneration all contribute to the overall investment needs of the portfolio which are significant. The Council has limited funds and it is important that scarce capital is allocated to optimise its benefits to the Council.

4.5 Capital Programme Management

The capital programme is directed to ensure that limited resources are invested in the most effective way to ensure and improve service delivery, maximise investment income or provide housing. It must align with the Council's priorities and seek to dispose of surplus assets to sustain ongoing non-housing capital investment and reduce revenue costs.

Services are responsible, with the support of Property & Facilities, for identifying capital projects needed to meet their needs, for feasibility assessments and development of a funding 'bid'.

The Council has a methodology to prioritise investment which is related to its overall objectives and statutory requirements designed to ensure the impact of scarce resources is maximised and a strategic overview of all schemes is maintained. Prioritisation of competing bids and development of the capital programme is undertaken as part of the Council's overall budget process. The bids are considered by the Capital Member Group which prepares and recommends the capital programme for Cabinet approval each year which is monitored by it on a quarterly

basis and allows for early identification of actual or potential slippage and inclusion of reserve schemes in the programme.

The Council has embarked on two major capital projects, the Enterprise Zone and Prentice Place, which will require external funding and borrowing the costs of which are intended to be met from the sale or letting of new properties.

As a result of declining receipts from the disposal of surplus assets the Medium Term Financial Plan reflects the need for borrowing to fund the capital programme.

4.6 Managing Properties in Use

Property & Facilities are responsible for the non-housing estate that includes commercial properties, community land and buildings and un-adopted roads, footways and lighting. Day to day management of operational properties is undertaken by the occupying Service with the support of the Property & Facilities Service.

Buildings need to be suitable ('fit for purpose') in order to be lettable or support service delivery. A building of the wrong type; in the wrong location can be a major inhibitor to effective income growth or service provision. It is important therefore to periodically review the suitability of buildings to see if they are having a beneficial or detrimental effect on income or services.

Statutory compliance of buildings, such as asbestos, water management, fire risk assessments etc. are a shared responsibility between the Council Corporate Compliance Team and the Property and Facilities Team. A key issue moving forward is ensuring clarity between the respective roles of both teams.

4.7 Review of Need, Utilisation & Cost

This plan has been prepared in consultation with services across the Council who occupy or use Council's properties. A programme of property reviews is a priority for the council which will be used to categorise assets and inform action based on an understanding of the need for, and performance of, individual assets linked to an analysis of Council priorities. An outcome of the review process will be engagement with members and other public sector agencies that could open up opportunities.

The focus of the reviews is to provide a robust challenge to the need for and performance of assets using information from databases including IBS and Agresso with the Technology Forge database being made a primary source of the data. Review outcomes will be reported to the Corporate Asset Management Group and members for decision making.

4.8 Data & Performance Management

Core non-housing property data is held on a database from Technology Forge that is used for Estate Management and to produce the Asset Register. Property & Facilities also maintain a spreadsheet of the commercial investment properties that is used to categorise these and support valuations for lettings.

Property & Facilities have identified data needs and priorities, which provides a framework for data management with the migration of all property data on to Technology Forge. Specific data priorities include the migration of data from the recently completed condition surveys for the non-housing portfolio and the estate management spreadsheets in to the Technology Forge database.

The database has an integrated report writer which allows for data analysis and reporting. In addition Property & Facilities use QGIS software to record and maintain geographical information for the all the Council's property and is also responsible for the Local Land and Property Gazetteer. The GIS information is available for staff to view using iShareGIS. The Council has gone through a process and registered the title of most of its property interests with Land Registry with the remainder in the process of being registered.

Measuring the performance of the portfolio is constrained by organisational capacity and therefore a pragmatic approach has been adopted to concentrate on a small number of indicators where the data is robust developing local measures relevant to the Council which can be tracked over the long term. This will develop over time as the quality and quantity of data on the database improves.

A simple framework for performance management has been developed as shown in section 6 and Appendix D which is based on nationally recommend indicators and local ones to measure the portfolio performance and provide a rounded view of the portfolio. The intention is to track and establish long-term targets against which to

monitor progress and to seek to compare performance with other councils where possible. Property & Facilities measure the performance of the portfolio using financial reports on income, vacancy rates and condition surveys which are detailed in section 5. In addition, performance at an individual building level would allow decisions to be made about retention, investment, alternative use or disposal.

5 The Property Portfolio

5.1 Summary dimensions of the portfolio

The Council's property estate is spread throughout Harlow and apart from the Green Wedges, which are managed by the Places Team, and unadopted roads, the bulk of the estate is non-operational property that is predominantly freehold and produces a substantial revenue to the Council.

The broad dimensions of the portfolio (summarised in the table below) are:

- 493 properties
- worth £100.444m in terms of book value
- producing a rental income of £6.380m per annum
- repair backlog and statutory obligations requiring an investment of £13.823²m

5.2 Tenure & Use

The majority of the Council's non-housing property are commercial tenanted units that include shops, offices and garages. In addition, the Council owns a number of community buildings and playing fields. Property & Facilities is also responsible for the un-adopted highways, footpaths and lighting that are a legacy of the Harlow Development Corporation. The diverse mix of uses is illustrated in the table below:-

² Excludes those costs which are the responsibility of Harlow's occupying tenants

Use	Count	Value	Rental Income
Allotments	36	£1,140,078	£6,040
Bus Station	1	£843,209	£0
Childcare Facility	5	£572,837	£40,300
Church	2	£59,300	£5,700
Common Room	14	£575,006	£11,278
Crematorium	1	£2,292,000	£506,665
Depot	7	£4,212,809	£10,000
Education	2	£2,813,400	£13,000
Garage	72	£534,716	£23,412
General Fund Housing Garages	7,801	£13,571,000	£1,716,875
Health Centre	1	£936,034	£68,500
Land	7	£5,709,203	£480
Leisure	92	£26,409,319	£321,808
Office	39	£15,892,414	£957,933
Park	2	£520,800	£0
Parking	22	£3,141,055	£10,000 ³
Public Convenience	5	£469,743	£0
Public House	12	£1,051,000	£63,835
Residential	23	£3,152,256	£214,781
Retail	128	£15,862,375	£1,432,591
Store	16	£147,184	£13,095
Telecoms	5	£361,700	£42,250
Training Facility	1	£176,400	£16,500

In addition there is a quantity of land other than parks which is public open space.

5.3 Condition & Fitness for Purpose

It is important to survey and record the condition of the building stock in order to be aware of immediate health and safety issues in the portfolio, incipient risks and liabilities to the Council and the investment needs associated with ensuring buildings are in a reasonable state of repair to meet the authority's service delivery obligations and statutory requirements.

The Council recognises the risk of using historic data and so recent surveys have been undertaken on the whole of the Council's portfolio and this information needs to be recorded on the Technology Forge database so that this can be reviewed. From the

³ Figure excludes ticket sales and Parking Contravention Notice income.

recent surveys the estimated backlog of repairs in the portfolio is £13.823m of which £5.950m (43%) are urgent and essential.

The relationship between the relative levels of expenditure on reactive and preventative maintenance provides an indication of the effectiveness of an organisation’s overall maintenance strategy. Annual expenditure predominantly on planned maintenance with a stable or reducing backlog trend is indicative of a well maintained portfolio, whereas a high proportion of spend on reactive maintenance suggests an inadequate budget and maintenance strategy. Currently the Council’s maintenance spend is directed predominantly to reactive maintenance with planned maintenance relying on the approval of bids to the capital programme or using revenue budgets.

5.4 Value, Cost & Income

As well as providing accommodation from which to deliver services, property can also be considered as a ‘productive asset’ capable of releasing value (from disposals) or generating income (from lettings) which can make a valuable offsetting contribution to capital projects or operating costs. The asset value is a ‘notional value’ required for capital accounting purpose and reported on the Council’s Balance Sheet through the annual statement of the accounts. The value of the portfolio for land and buildings excluding housing is £100.444m. The investment portfolio provides a rental income of approximately £6.380m per annum and any variation on this income base will have significant resource implications for the Council.

Summary of Income and Expenditure

Description	Income	Expenditure ⁴	Net
Energy		£520,921	£520,921
Insurance	-£21,903	£37,565	£15,662
Local Tax	-£5,820	£617,773	£611,953
Maintenance		£1,939,980	£1,939,980
Rent	-£6,379,792	£61,426	-£6,318,367
Security & Cleaning	-£412	£233,434	£233,022
Service Charge	-£408,153	£23,446	-£384,707
Water		£70,046	£70,046
	-£6,816,080	£3,504,590	-£3,311,490

Note – negative figures represent a surplus, positive figures represent a deficit.

⁴ Expenditure figures are direct property related costs only (exclusive of staffing, service delivery and central support costs).

There is a recurring cost borne from the revenue budget to own and occupy property. Assuming the portfolio is fit for purpose and in a reasonable state of repair the objective should be to minimise this expenditure in order to release revenue for service priorities. In 2017/18 General Fund running costs for the non-housing property portfolio of £3,504⁵m represented just over 38% of the Council's total General Fund spend of £9.146m, whilst General Fund income from the Council's non-housing assets (£6,816m) contributed around 75% towards the Council's total annual general fund spend.

5.5 Sustainability & Energy

In its first Carbon Management Plan (2010-2015) The Council set a target to reduce its carbon emissions by 25% from a 2008/9 baseline. This target was met by 2014 through various energy efficiency improvements and rationalisation of the Council's estate. The overall reduction by 2015 was circa 38%. From this the Council established a second Carbon Management Plan (2016-2021) where it will seek to reduce its emissions by a further 25% using 2015/16 as a new baseline. Audits have been undertaken across the portfolio to scope projects in order to meet its targets. Examples of these projects include LED lighting upgrades, boiler upgrades and solar PV Panels.

From 1 April 2018, landlords of non-domestic private rented properties (including public sector landlords) may not grant a tenancy to new or existing tenants if their property has an EPC rating of band F or G. Also, from 1 April 2023, landlords must not continue letting a non-domestic property which is already let if that property has an EPC rating of band F or G. The Council has undertaken an EPC assessment of its commercial portfolio and is taking necessary steps to invest in the five properties that fall below the minimum energy efficiency banding.

Since 2008, the Council has bulk procured its energy via central government purchasing frameworks for both gas and electricity. These contracts were entered into on a recurring annual basis and provided the Council with a means of bulk purchasing its energy in advance at favourable rates. All operational properties, communal and landlord lighting, and residential heating schemes were included within the contract.

⁵ Exclusive of staffing, service delivery costs and central support costs.

6 Performance & Monitoring

6.1 Key Achievements

The Council has demonstrated its commitment to asset management through a range of initiatives. These are over and above its day-to-day property management activities. Whilst not an exhaustive list some of the more significant achievements, including those relating to the Council's previous Asset Management Plan are identified below:

- Updated the Council's property database; migrating data from Archibus and a number of spreadsheets to Technology Forge.
- Completed EPCs for all buildings.
- External consultants have completed building surveys on all buildings with the Technology Forge database to be populated with the data which will provide an updated understanding of maintenance backlog and priorities across the portfolio.
- Provision of support to the Third Sector with grants available for leases on the Council's community properties.
- Proactive management of the Latton Bus Centre has seen occupancy rates rise to near 100%. The property is now a vibrant and successful business centre pulling in a significant revenue income stream.
- The Council has further consolidated its office accommodation by vacating leasehold office space at Redstone House formerly occupied by the Council's Housing Team. Surrender of the lease yielded very significant revenue savings.
- Parking zones have been successfully introduced at various locations throughout Harlow including The Stow and Bush Fair and the undercroft of Sherwood House converted into a large permit parking zone for business and residents.
- The Council secured Heritage Lottery Funding to upgrade and improve the Town Park. This investment of circa £2.8m delivered improvements including a much improved replacement of the café.

- A new health care centre is currently being constructed on land adjacent to Lister House which was facilitated by a land swap.
- The Council have completed major refurbishments of Ash Tree Field Sports Pavilion and Nicholls Field Pavilion (Section T1.1 of the 2009 AMP)
- The Priority Estates redevelopment is now underway.
- The Council's maintenance partner has now vacated Gilden Way Depot which has been let and provides increased income to the Council and Herons Wood Depot which could be sold for development.
- Worked with partners to help create the North Essex Parking Partnership, a body that deals with all on and off street parking enforcement. This is currently undergoing a value for money review.
- The Council leased Broadfield Garage site to Harlow College generating income; former Depot Land at Mulberry Green and Kingsmoor House were sold; Wych Elm Land the developer has not progressed so covenant remains intact and Yorke's Land remains vacant pending disposal or development (Asset Disposal Programme of the 2009 AMP).

6.2 Measurement of Portfolio Performance

The Council has identified the need to develop a performance management framework and will adopt a 'scorecard' approach as one element of this. This is work in progress and there is recognition of the need to improve data quality before the scorecard can be adopted and used for real. The figure below presents an overall 'scorecard' to measure portfolio performance under a series of key themes.

Property Asset Strategy
Part 1 – Operating Context & Strategic Direction

Asset Management Themes	Property Performance Indicators	Trend Data			Targets		Change				
		2015/ 2016	2016/ 2017	2017/ 2018	Harlow Council	National 'norms'	▲ ■ ▼				
Physical	Age	% of buildings over 20 years old									
	Condition	Overall backlog as a % of net annual spend (PLC4.2)									
		Urgent & essential as % of repair backlog									
		Ratio of planned / reactive maintenance spend						47%			
		% of buildings with condition survey in last 5 years (PLC3.1)						100%			
								100%			
								70/30			
								100%	▲		
Financial	Cost & Income	Property running costs as % of net council spend						8.0%			
		Running costs per FTE (offices only)									
		Income as % of net council spend (PLC4.4)									
		Rate of return (commercial portfolio only)									
Value	Asset value as a % of net council spend										
	Surplus property as a % of total asset value										
Use	Capacity & utilisation	Office space as % of total portfolio									
		Floor-space per work-station (offices only)						10.0			
		Workstations to FTE ratio (offices only)						7:10			
		Total days properties are vacant (commercial only) (PLC4.1)									
Suitability	% of buildings with assessment in the last 5 years						100%				
	% of buildings assessed as 'fit for purpose'										
Legal	Statutory Compliance	% of buildings with asbestos survey (PLC3.3)									
		% of buildings with completed access audit									
		% of buildings with current test certificates									
Sustainability	CO ₂ emissions in kilo tonnes per annum						163	176	167	168	■
	% of buildings (open to the public) with a DEC A-D										
	% of commercial buildings with an EPC rating A-E (PLC4.2)										

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6.3 Review Arrangements

The Property Asset Strategy is a 'live' document and will be kept under review. Progress on the strategy will be reported periodically to Cabinet through the Director of Place. These updates will concentrate on the progress of the specific Key Actions identified in the strategy and more general performance of the individual portfolios. This formal reporting will be in addition to the regular formal and informal reporting on property matters which is on-going.

Appendix A – Brief History of Harlow and its Property Assets

Harlow was designated a new town in 1947, with the Harlow Development Corporation becoming the main property owner. Most of the assets were acquired under the New Towns Act, including acquisition of a number of local farms. At the time of designation as new town the villages of Harlow and Netteswell and surrounding parishes were part of Epping Rural District Council, after which Harlow Development Corporation became the main property owner and planning authority within the 386 acres of the ‘new town’.

Harlow Urban District Council was established in 1955. When local government reorganisation took place during the 1960s the town was effectively controlled by two bodies, Harlow Development Corporation and Harlow Urban District Council (becoming a district council as a result of reorganisation). Both owning land in their own right. With the demise of the Harlow Development Corporation in 1976 a series of land transfers took place. These were the ‘First’ or ‘Housing’ transfer which included most of the housing areas within the town, the shopping hatches, neighbourhood shopping centres common rooms, play barns, large tracts of open space between the estates, some allotments and playgrounds.

In 1979 the Second transfer took place which included housing and was intended to sweep up all the remaining small pieces of housing land omitted from the First transfer. Finally, in 1986 the Third transfer took place, which was of community related assets, from the Commission for New Towns (successors in title to Harlow Development Corporation). This included a package of land most of which had little value but had an encumbered maintenance cost. Some properties had an agreed value that the Council could sell and provide a fund to meet the additional maintenance costs as well as properties that were subject to leases which were to provide an income to add to the maintenance budget. Each site had a defined use and value at the time of the transfer and some properties were subject to clawback based upon lifts in value on disposal or change of use.

Separate conveyances of playgrounds, allotments, town park and scout sites also took place between Harlow Development Corporation and Harlow Council which were encumbered with restrictive covenant. In general the First and Second transfer lands do not have restrictive covenants as to use. In addition the Council has purchased a number of properties from private owners such as Harlow and Latton Common, Latton Woods and Netteswellbury Farm. The most recent acquisitions being the land for the new sports centre and the residual land transfer from Home and Communities Agency. The town’s industrial areas and town centre were retained by the Commission for the New Towns who gradually disposed of the interest, usually to existing tenants or investors.

Appendix B – Amplification of Portfolio Segmentation

	Portfolio			
	Operational	Community	Commercial	Opportunity
Type	Cash consuming		Cash generating	
Time Horizon	Short term	Short term	Short to medium term	Medium to long term
Rationale for categorisation (see section 2)	Assets required to support service delivery directly or indirectly (e.g. offices) to the residents or visitors to Harlow	Assets over which the Council has a stewardship role so that these are available for the community to use & enjoy	Assets held in order to generate income to support the revenue budget (even if acquired for an initial different purpose)	Assets held because they have long term latent value that can be realised to support growth, asset renewal or regeneration objectives or housing delivery
Management Objectives	<ul style="list-style-type: none"> ▪ Functional suitability ▪ Condition ▪ Running costs 	<ul style="list-style-type: none"> ▪ Condition ▪ Running cost ▪ Community access 	<ul style="list-style-type: none"> ▪ Occupancy ▪ Rate of return ▪ Portfolio mix 	<ul style="list-style-type: none"> ▪ Identifying under-performing assets with no future service need ▪ Realising development potential ▪ Overcoming planning constraints ▪ Use assets as a catalyst for regeneration.
	<ul style="list-style-type: none"> ▪ Latent value (assets that could be considered ‘opportunity’ assets) 			

Note: This is working definition underpinning the segmentation of the portfolio that will be refined in use. The term latent value is used to mean those sites which may have long term development potential and which therefore be considered as being ‘opportunity’ sites.

Appendix C – Asset Management Policies & Procedures

The table below identifies existing asset management policies and procedures that exist. These amplify this strategy and are the day-to-day procedures that underpin asset management practice in the Council.

Item	Date
Forums	
Cabinet	
Capital Programme Board	
Property database user group	
Policies	
Harlow Council Asset Management Plan 2009/10 – 2013/14	2009
Medium Term Financial Strategy – 2016/17 to 2020/21	2016
Harlow Regeneration & Social Inclusion Strategy 2010-2015	2010
Asset Management Strategy – Housing Services 2013-2018	
Carbon Management Plan 2016-2021	2016
Draft Pre-Submission Harlow Local Development Plan	2018
Green Wedge Review	2014
Procedures & Methodologies	
Harlow Council Treasury Management Strategy Statement – 2018/19	2018
Office Procedure and Guidance on Lease Renewals and Assignments	
Objectives	
Corporate Plan 2017/18-2019/20 - Working Together for Harlow	2017
Service Plans	
Team Plans	
Harlow Retail & Leisure Needs Study 2016	2016

Harlow Council

Non-Housing Asset Strategy

Part 2

Current Position & Future Intentions

October 2018



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1 Introduction

Part 1 of the asset strategy identified the policy and resource influences affecting the Council and in response to these set a broad direction for asset management over the medium term for the property portfolio as a whole. Part 2 of the strategy cascades this down to consideration at an individual level (or for groups of assets). This part of the strategy is intended to:

- Identify and document in schedule form all non-housing assets the Council owns & occupies
- For each of these capture a brief summary of the current status and any future intentions (where these are known)
- Document any known financial information – running costs, backlog and capital funding allocations
- Record any asset management implications arising – such as issues to examine, categorisation of assets or required actions

A pragmatic approach has been adopted to provide an initial evaluation of the properties that draws on the available data and local knowledge from the Property & Facilities Team. Condition surveys have recently been carried out on all properties with the next step being to populate the Council's property database with this data. This can then be used to provide information on the overall required maintenance that will then inform the capital programme over a 5 year period.

The Non-Housing Asset Strategy, especially Part 2, provides an overview of the assets which can be used to direct, inform and decide on a more detailed and robust analysis of individual or group of assets by type or geographic location. As part of this further more detailed analysis the Council will develop a set of key performance measures which can be applied at a portfolio level (each of the sub-portfolios identified through part 1 of the strategy) and at an individual asset level.

This document is a working document that is intended to underpin and amplify Part 1 of the asset strategy. As the Part 2 of the Asset Strategy contains some financial information that may be sensitive this document will be considered as confidential – with circulation restricted to staff within the Council as determined by the Property & Facilities Team.

2.0 The Property Portfolio

General

The Council’s property portfolio is divided into four sub-portfolios and the allocation of properties or groups of properties in each of these are detailed in this section. The table below sets out the basis for determining which portfolio an asset or groups of assets sits.

	Portfolio			
	Operational	Community	Commercial	Opportunity
Type	Cash consuming		Cash generating	
Time Horizon	Short term	Short term	Short to medium term	Medium to long term
Rationale for categorisation (see section 2)	Assets required to support service delivery directly or indirectly (e.g. offices) to the residents or visitors to Harlow	Assets over which the Council has a stewardship role so that these are available for the community to use & enjoy	Assets held in order to generate income to support the revenue budget (even if acquired for an initial different purpose)	Assets held because they have long term latent value that can be realised to support growth, asset renewal or regeneration objectives or housing delivery
Management Objectives	<ul style="list-style-type: none"> ▪ Functional suitability ▪ Condition ▪ Running costs ▪ Energy Consumption 	<ul style="list-style-type: none"> ▪ Condition ▪ Running cost ▪ Community access ▪ Energy Consumption 	<ul style="list-style-type: none"> ▪ Occupancy ▪ Rate of return ▪ Portfolio mix 	<ul style="list-style-type: none"> ▪ Identifying under-performing assets with no future service need ▪ Realising development potential ▪ Overcoming planning constraints ▪ Use assets as a catalyst for regeneration.
	<ul style="list-style-type: none"> ▪ Latent value (assets that could be considered ‘opportunity’ assets) 			

Note: This is working definition underpinning the segmentation of the portfolio that will be refined in use. The term latent value is used to mean those sites which may have long term development potential and which therefore be considered as being ‘opportunity’ sites.

Property Asset Strategy
Part 2 – Current position & Future Intentions

The tables in the rest of this section provide a summary of the non-housing assets within each of the portfolios summarising the current position and future intentions together with key data on cost and income, maintenance backlog, identified capital spend and carbon emissions. This information is used to assist in the application of the framework which determines the recommended actions which will then be used to develop an Action Plan for the next 10 years having regard to the availability of resources.

Total Income and Expenditure across the whole of the non-housing assets in the last financial year was:

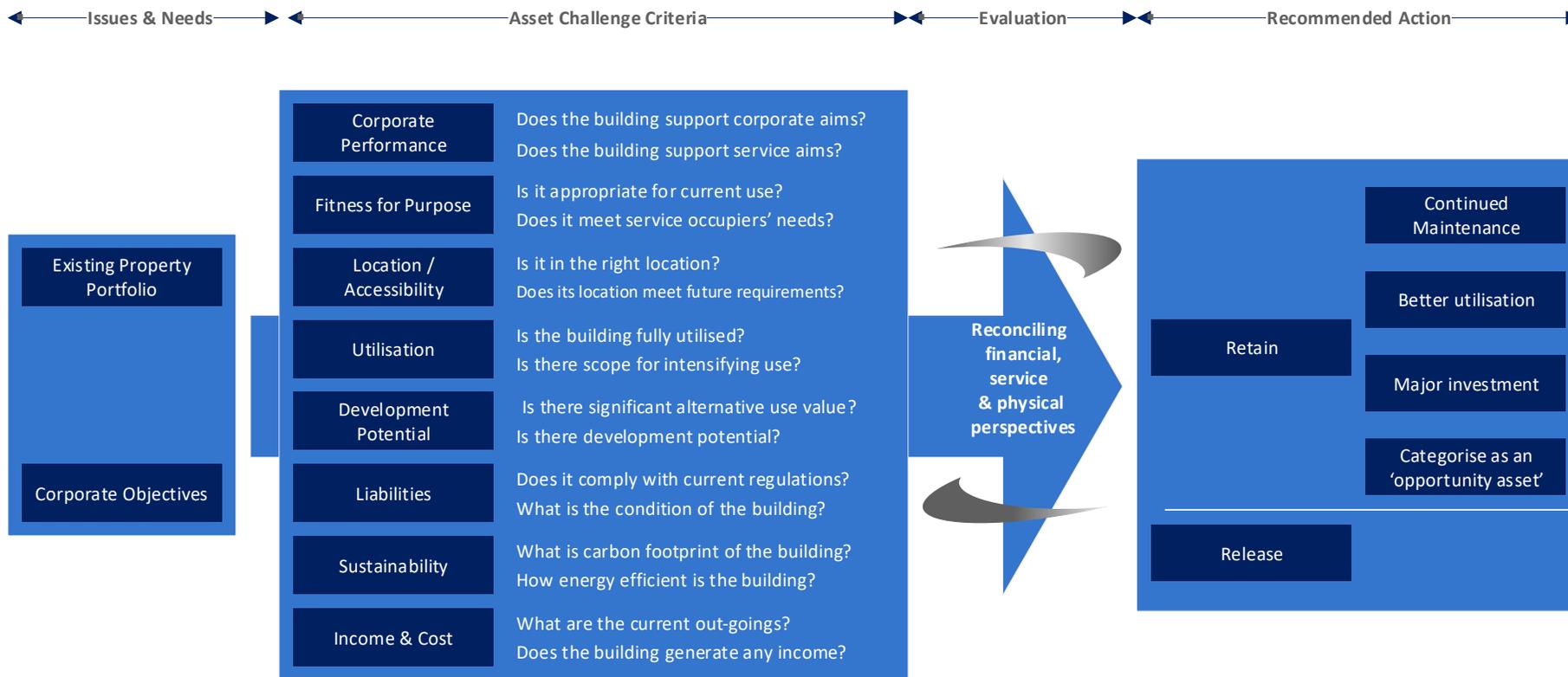
Description	Income	Expenditure	Net
Energy		£520,921	£520,921
Insurance	-£21,903	£37,565	£15,662
Local Tax	-£5,820	£617,773	£611,953
Maintenance		£1,939,980	£1,939,980
Rent	-£6,379,792	£61,426	-£6,318,367
Security & Cleaning	-£412	£233,434	£233,022
Service Charge	-£408,153	£23,446	-£384,707
Water		£70,046	£70,046
	-£6,816,080	£3,504,590	-£3,311,490

Note – negative figures represent a surplus, positive figures represent a deficit.

Property Asset Strategy

Part 2 – Current position & Future Intentions

The diagram below shows the framework used to determine recommended actions now and for periodic reviews. These recommended actions which are translated into an action plan for the next 10 years.



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Property Asset Strategy
Part 2 – Current position & Future Intentions

Notes on the tables set out below:-

- 1) 'Cost/income' figures reflect the 2017/18 accounts. Negative figures denote a surplus, positive figures denote a deficit
- 2) Capital Funding figures reflect the approved 2018/19 Capital Programme
- 3) The below entries are representative of the asset portfolio, with specific assets or groups of highlighted where management intervention is recommended. This summary is not intended to represent a full comprehensive assets list

2.1 Operational Portfolio

Sites directly or indirectly delivering the services of Harlow Council

Site / Property	No.	Current Position	Future Intentions	Financial Dimensions k = £,000				Council's Carbon (kg)	Recommended Action(s)
				Cost/ Income	Backlog		Capital Funding		
					Yr1	Yr2-5			
Corporate Geographic Information System (GIS)	n/a	New Corporate GIS system recently procured from Astun Technology.					n/a	Retain – Continued Maintenance	
Barbara Castle Health Centre	1	Preparations are underway to deliver major roofing works.					n/a	Retain – Continued Maintenance	
Bus Terminus	1	Costs are offset by income.					33,457	Retain – Opportunity Asset	

¹ Excludes income of £126k from departure fees etc.

Property Asset Strategy
Part 2 – Current position & Future Intentions

Site / Property	No.	Current Position	Future Intentions	Financial Dimensions k = £,000			Council's Carbon (kg)	Recommended Action(s)
				Cost/ Income	Backlog	Capital Funding		
Cemetery & Crematorium	1	Asset leased to third party operator.					n/a	Retain – Continued Maintenance
Civic Centre	1	External works being scoped including the repair or replacement of windows.					514,357	Retain – Continued Maintenance
Un-adopted Highways and Lighting		Ongoing inspections and repairs undertaken to maintain assets to limit liability.					n/a	Retain – Continued Maintenance
Footbridge over the railway	1	Existing bridge identified as requiring major capital investment following recent specialist survey.					n/a	Retain – Continued Maintenance
Latton Bush Centre	1	Council run business centre. Re-roofing works being carried out to prevent water ingress and damage to the property.					542,928	Retain – Continued Maintenance

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² Includes Highways, Street Signs and Town Centre Enhancements

Property Asset Strategy
Part 2 – Current position & Future Intentions

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Site / Property	No.	Current Position	Future Intentions	Financial Dimensions k = £,000			Council's Carbon (kg)	Recommended Action(s)
				Cost/ Income	Backlog	Capital Funding		
Leah Manning Day Centre	1	The service delivery contract with Essex County Council has recently been renewed and surplus office space has been let to third parties.					66,805	Retain – Better Utilisation
Market and Market Square and Stores	4	Market stalls relocated and Market Square being given a makeover to provide a space for the community which will include events.					n/a	Retain – Major Investment
Mead Park Depot	1	Occupied by HTS in connection with service delivery. Some surplus space is sub-let to generate income.					409,408	Retain – Better Utilisation
3 Wych Elm Depot	1	Occupied by HTS in connection with service delivery.					n/a	Retain – Continued Maintenance
Operational Public Conveniences (Pets Corner, Changing Places, The Moorhen, The Bus Station)	4	Pets Corner toilets recently refurbished.					n/a	Retain – Continued Maintenance
Total	17						1,566,955	

³ Excludes £35k received in fees and charges

Property Asset Strategy
Part 2 – Current position & Future Intentions

2.2 Community Portfolio

Assets used to improve the quality of community life

Site / Property	No.	Current Position	Future Intentions	Financial Dimensions				Council's Carbon (kg)	Recommended Action(s)
				Cost/ Income	k = £,000 Backlog		Capital Funding		
					Yr1	Yr2-5			
Allotments	36	18 sites managed by the Harlow Allotment Association, the remainder managed by the Council. Take up on some sites is limited.					n/a	Retain – Continued Maintenance	
Community Centres	7	Properties occupied by third parties or community groups.					n/a	Retain – Continued Maintenance	
Harlow Museum	1	Science Alive lease and operate the museum. The asset is in need of major investment.					n/a	Retain – Continued Maintenance	
Open Spaces		Maintained via HTS (Property & Environment) Ltd.					n/a	Retain – Continued Maintenance	
Paddling Pools and Splash Park	6	Urgent plant room roofing works recently undertaken to prevent damage.					n/a	Retain – Continued Maintenance	

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Property Asset Strategy
Part 2 – Current position & Future Intentions

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Site / Property	No.	Current Position	Future Intentions	Financial Dimensions			Council's Carbon (kg)	Recommended Action(s)	
				Cost/ Income	k = £,000 Backlog				Capital Funding
					Yr1	Yr2-5			
Playgrounds	41	Managed by Harlow Council's Landscapes Team and maintained by HTS (Property & Environment) Ltd.					n/a	Retain – Continued Maintenance	
Town Park	1	On-going developments to enhance the experience. Development of inclusive play, improvements to the walled garden, signage and bins.					n/a	Retain – Continued Maintenance	
Pets Corner	1	Operational asset delivering recreational and educational opportunities. Recent investment as part of a Heritage Lottery Fund programme. Public toilets also recently separately refurbished.					34,302	Retain – Continued Maintenance	
Pavilions	14	Majority of Pavilions are in use by local sporting groups.					n/a	Retain – Continued Maintenance	
Common Rooms	13	Properties occupied by third parties or community groups.					n/a	Retain – Continued Maintenance	

Property Asset Strategy
Part 2 – Current position & Future Intentions

Site / Property	No.	Current Position	Future Intentions	Financial Dimensions				Council's Carbon (kg)	Recommended Action(s)
				Cost/ Income	k = £,000 Backlog		Capital Funding		
					Yr1	Yr2-5			
The Playhouse	1	Theatre and community space owned and run by Harlow Council. Current planned capital spend on refurbishment and technical infrastructure upgrade.						191,575	Retain – Opportunity Asset
Other									
Total	121							225,877	

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Property Asset Strategy
Part 2 – Current position & Future Intentions

2.3 Commercial Portfolio

Sites held as investments to generate revenue to minimise council tax.

	Site / Property	No.	Current Position	Future Intentions	Financial Dimensions k = £,000			Council's Carbon (kg)	Recommended Action(s)	
					Cost/ Income	Backlog				Capital Funding
						Yr1	Yr2-5			
	10 Staple Tye	1	Leased in by the Council and sub-let to mitigate financial liabilities.					n/a	Release	
55	Bush Fair Shopping Centre	35	Major shopping centre with good occupancy rates. Investment is required for improvements to the public realm with consultation on this already underway.					n/a	Retain – Continued Maintenance	
	Bush House Offices	22	Office block currently fully let.							
	Northgate House	1	Leased to Harlow College for refurbishment and use as a satellite campus.					n/a	Retain – Continued Maintenance	

Property Asset Strategy
Part 2 – Current position & Future Intentions

Site / Property	No.	Current Position	Future Intentions	Financial Dimensions k = £,000			Council's Carbon (kg)	Recommended Action(s)	
				Cost/ Income	Backlog				Capital Funding
					Yr1	Yr2-5			
Seen Nightclub	1	Asset held on a long lease and sub-let to generate a profit rent.					n/a	Retain – Continued Maintenance	
Sumners former Neighbourhood Office	1	Leased and operated as childcare facility by the GPCA.					n/a	Retain – Continued Maintenance	
Car Parks	18	Parking enforcement managed by the North Essex Parking Partnership with the net income being returned to Harlow Council.					n/a	Retain – Continued Maintenance	
Wych Elm Car Park	1						5,808	Retain – Major Investment	
Post Office Road Car Park	2						8,157	Retain – Better Utilisation	
Water Gardens Car Park	1		Managed by The Water Gardens Management Team.					n/a	Retain – Continued Maintenance
Commercial Property – Misc.		Property assets owned and leased by Harlow Council.					n/a	Retain – Continued Maintenance	

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Property Asset Strategy
Part 2 – Current position & Future Intentions

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Site / Property	No.	Current Position	Future Intentions	Financial Dimensions				Council's Carbon (kg)	Recommended Action(s)
				Cost/Income	k = £,000 Backlog		Capital Funding		
					Yr1	Yr2-5			
The Stow Shopping Centre	38	Major shopping centre with 100% occupancy rates. Major public realm improvement project is underway following public consultation.					n/a	Retain – Continued Maintenance	
Hatches	42	100% occupancy rates. Roofing works underway at Sumners Hatch to prevent water ingress and damage to the property.					n/a	Retain – Continued Maintenance	
Prentice Place	8	Major regeneration project currently underway.					n/a	Retain – Major Investment	
ex Potter Street N.O	1	Currently marketed to let via local commercial lettings agent.					n/a	Retain – Continued Maintenance	
Total	172						13,965		

Property Asset Strategy
Part 2 – Current position & Future Intentions

2.4 Opportunity Portfolio

Sites identified as surplus or having options for reuse or redevelopment.

Site / Property	No.	Current Position	Future Intentions	Financial Dimensions k = £,000				Council's Carbon (kg)	Recommended Action(s)
				Cost/ Income	Backlog		Capital Funding		
					Yr1	Yr2-5			
21 The Rows	1	Some expressions of interest received following a recent marketing campaign.						n/a	Retain – Opportunity Asset
2 & 2a Wych Elm	2	Leased to two local community groups.						n/a	Retain – Opportunity Asset
3 Wych Elm Office	1	Let to a local charity.						n/a	Retain – Opportunity Asset
Rivermill Adult Education Centre	1	Leased to Essex County Council and currently operated as an Academy School.						n/a	Release

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Property Asset Strategy
Part 2 – Current position & Future Intentions

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Site / Property	No.	Current Position	Future Intentions	Financial Dimensions			Council's Carbon (kg)	Recommended Action(s)	
				Cost/Income	k = £,000 Backlog				Capital Funding
					Yr1	Yr2-5			
Land Assets (Various)		The Council is a major land owner within the District. Whilst a significant proportion of that land is designated green wedge, there are significant areas of 'white land' that have development potential.					n/a	Release or Retain – Major Investment	
Surplus Playing Fields		Open spaces managed by Harlow Council Landscapes Team and maintained by HTS (Property & Environment) Ltd.					n/a	Release	
Garage Sites (Various)		The Council own and manage approximately 9,000 domestic type garages in blocks across Harlow. Some sites are underperforming or in need of major investment.					n/a	Release	
Stewards Farm and Stables	1	Currently let and used as a residential property with associated riding school and stables. Listed building in need of investment.					n/a	Release	

Property Asset Strategy
Part 2 – Current position & Future Intentions

Site / Property	No.	Current Position	Future Intentions	Financial Dimensions			Council's Carbon (kg)	Recommended Action(s)	
				Cost/ Income	Backlog				Capital Funding
					Yr1	Yr2-5			
Moor Hall Road Depot	1	Vacant former wood recycling depot subject to statutory allotment designations.					n/a	Release	
Hérons Wood Depot	1	Dilapidated and vacant depot site. Some development potential however, the site has statutory allotment designation.					n/a	Retain – Major Investment	
Gilden Way Depot	1	Depot site subject to emerging leasehold CPO for use in connection with Highways improvement projects. Negotiated deal agreed for ECC Highways to lease the asset. Longer term the site is allocated as recreational space in the masterplan for the Newhall Area.					n/a	Release	
Stow Depot	2	Part let on a short term agreement, part vacant. Site identified for re-development in The Stow SPD. Negotiations are underway for disposal to adjacent land owner who has submitted a planning application for a comprehensive redevelopment. Cabinet consent in place for disposal.					n/a	Release	

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Property Asset Strategy
Part 2 – Current position & Future Intentions

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Site / Property	No.	Current Position	Future Intentions	Financial Dimensions			Council's Carbon (kg)	Recommended Action(s)	
				Cost/ Income	Backlog				Capital Funding
					Yr1	Yr2-5			
Staple Tye Depot	1	Occupied by HTS Environmental Task Force. Dilapidated and underutilised asset					n/a	Retain – Opportunity Asset	
The Pinnacles Balancing Pond.	1	Leased and run as a recreational fishery. The site is re-categorised in the emerging Local Plan from 'Green Wedge' to 'White Land'.					n/a	Retain – Better Utilisation	
John Robson House and Former Post Office Road Male Toilets	2	Asset leased to Shopmobility. Owner of the surrounding land (Market House) would like to acquire the sites to facilitate a comprehensive redevelopment scheme. Plans have been prepared and are due to be submitted shortly.					n/a	Release	
Enterprise Zone	1	Infrastructure project recently completed. Development partner appointed to deliver the construction of new commercial space. Active marketing underway to secure pre-lets or disposals of individual plots. It is intended at least one building will be retained and included within our investment portfolio.					n/a	Retain – Major Investment	

Property Asset Strategy
Part 2 – Current position & Future Intentions

Site / Property	No.	Current Position	Future Intentions	Financial Dimensions			Council's Carbon (kg)	Recommended Action(s)	
				Cost/ Income	k = £,000 Backlog				Capital Funding
					Yr1	Yr2-5			
Lister House	1	Site acquired via land swap. New health centre being built on adjoining land making Lister House surplus to requirements. Plans prepared for the residential re-development.					n/a	Release or Retain – Major Investment	
Land along Gilden Way		Certain land parcels are subject to an emerging CPO initiated by Essex County Council Highways to secure land assembly for road infrastructure improvements.					n/a	Release	
New Acquisitions		Fragmented land ownership in key regeneration areas has the potential to frustrate wider regeneration plans.					n/a		
Total	17								

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3 Action Plan

Performance measures for the different portfolios

Theme / Asset	Action	Term	Milestone
Segmenting the portfolio	▪ Define the rationale and management objectives for each portfolio	Short	Dec 2018
	▪ Review existing assets to categorise all asset into the portfolios	Short	Dec 2018
	▪ Identify key performance measure for each portfolio	Short	Mar 2019
Enhancing delivery capability	▪ Establish a Strategic Property Board and its Terms of Reference to oversee the strategy	Short	Mar 2019
	▪ Assess strategic capability and capacity of Property & Facilities Team	Short	Sep 2019
	▪ Identify lead focus (Project Manager) to progress on opportunity portfolio	Short	Sep 2019
	▪ Review capital prioritisation process – template for bids, scoring model & post project evaluation	Short	Jun 2019
	▪ Move to single source for core property data based on Technology Forge	On-going	Annually
Growing the opportunity portfolio	▪ Review existing sites to identify any with latent development potential	On-going	Annually
	▪ Identify & define potential options for developing value (use / time / feasibility)	On-going	Annually
	▪ Re-designate identified sites as part of the opportunity portfolio	Short	Dec 2018
Partnership working	▪ Create ‘concordat’ to encourage commitment to joint working	Short	Dec 2019
	▪ Undertake locality review to identify rationalisation scenarios for town centre	Medium	Mar 2021
	▪ Review potential to secure funding support through One Public Estate (OPE)	Short	Mar 2019
Evaluate delivery mechanisms	▪ Identify broad options for developing out opportunity assets	On-going	Annually
	▪ Evaluate options to determine ‘best fit’ with HDC outlook + culture + ambition + risk & return	Short	Mar 2020
	▪ Develop Outline Business Case for preferred delivery approach	Short	Mar 2020

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Property Asset Strategy
Part 2 – Current position & Future Intentions

Business as usual	▪ Manage the investment portfolio to maximise income	On-going	Annually
	▪ Maintain and ensure the statutory compliance of the portfolio	On-going	Annually

REPORT TO: CABINET

DATE: 6 DECEMBER 2018

TITLE: REFERRAL FROM CABINET OVERVIEW
WORKING GROUP– REVIEW OF LOCAL
COUNCIL TAX SUPPORT SCHEME PROPOSALS
2019/20

PORTFOLIO HOLDER: COUNCILLOR MIKE DANVERS, PORTFOLIO
HOLDER FOR RESOURCES

LEAD OFFICER: SIMON FREEMAN, HEAD OF FINANCE
(01279) 446228

This is a Key Decision

It is on the Forward Plan as Decision Number I008572

The decision is not subject to Call-in Procedures for the following reason:

The decision stands as a recommendation to Full Council

This decision will affect no ward specifically.

RECOMMENDED that:

- A** Cabinet recommends to Full Council that the current scheme remains unchanged for 2019/20 and that the introduction of fixed period awards for Local Council Tax Support is not implemented at the current time and kept under review.

REASON FOR DECISION

- A** The Cabinet Overview Working Group (COWG) considered a report on the review of the Local Council Tax Support scheme (LCTSS) at meeting on 29 November 2018 and referred the matter to Cabinet for consideration.

BACKGROUND

1. At its meeting on 29 November, the COWG received a report on a review of the LCTSS.
2. The COWG noted the responses received from the public consultation on the LCTSS and an Equality Impact Assessment of the proposed change to the Scheme.
3. The COWG has made a recommendation to that the introduction fixed period awards for the LCTSS is deferred for 12 months and kept under review.

IMPLICATIONS

Implications of the recommended decision are outlined in the 'Implications' section of the original report, which is attached as Appendix 1.

Appendices

Appendix 1 – Original report to the Cabinet Overview Working Group, 'Local Council Tax Support Scheme Proposals 2019/20'

Background Papers

All original reports to the Cabinet Overview Working Group can be viewed from <http://moderngov.harlow.gov.uk/ieListDocuments.aspx?CId=250&MId=1078&Ver=4>

Glossary of Terms/Abbreviations Used

None.

Appendix 1

REPORT TO: CABINET OVERVIEW WORKING GROUP

DATE: 29 NOVEMBER 2018

TITLE: LOCAL COUNCIL TAX SUPPORT SCHEME PROPOSALS 2019/20 – REPORT

LEAD OFFICER: SIMON FREEMAN, HEAD OF FINANCE (01279) 446228

CONTRIBUTING OFFICER: DONNA BEECHENER, REVENUES AND BENEFITS MANAGER (01279) 446245

RECOMMENDED that:

- A** Acknowledges the current position regarding the 2018/19 Local Council Tax Support Scheme and endorses continuing stability within the scheme for 2019/20.
- B** Recommends to Cabinet that the proposal to introduce fixed period awards for Local Council Tax Support is deferred for 12 months and kept under review.

BACKGROUND

1. In accordance with the Welfare Reform Act 2012, and the Local Government Finance Act 2012, councils are required to implement a Local Council Tax Support Scheme (LCTSS) annually, and by 31 January each year at the latest for the forthcoming financial year.
2. The Pan Essex working group, originally established to consider a County wide approach to the localisation of council tax support, has continued to work very effectively. Having focussed on the development of the local schemes, more recently the work has been looking at those exemptions and discounts awarded to council tax payers. As a result the group has now implemented a range of measures targeted at ensuring that each council across Essex undertakes work on a consistent basis to help protect the tax base in each district. Work will continue to be undertaken in 2018/19 to ensure compliance and to check and challenge council tax reductions awarded for which entitlement may have subsequently changed or be no longer appropriate.

Local Council Tax Support (LCTS)

3. The national Council Tax Benefit (CTB) scheme, which was wholly funded by Central Government and administered locally by billing authorities, was abolished with effect from 1 April 2013. Each council was charged with designing and implementing its own local scheme for the 2013/14 financial year against a backdrop of a 10 per cent reduction in national funding when compared with CTB. The scheme must be reviewed annually and the Council

approved its local scheme for the 2018/19 financial year at its meeting held on 14 December 2017.

4. Prior to the introduction of LCTS there had been no cap on CTB expenditure under the national scheme. However under LCTS, Government funding was restricted through the introduction of a cash limit in the form of a fixed grant. In addition, the grant was set at a level which was 10 per cent less than the previous council tax benefit expenditure estimated from 2012/13. For the Council this represents a reduction in funding of around £1.3 million per annum from April 2013.
5. The grant for LCTS was originally identified specifically within the Council's overall Revenue Support Grant and retained Business Rates income for 2013/14. The level of funding for 2014/15 and future years has not been identified in the same way and has been included in the Council's overall Revenue Support Grant and Retained Business Rates – overall Formula Funding. As a result of this there is no protection for the LCTS funding and it is subject to the wider Government cuts to local government funding. Since the introduction of the scheme the Councils overall funding has reduced by over 47 per cent but there has been no reduction in the Councils support of its LCTS scheme.
6. In order to ensure that Pensionable Age customers should be no worse off under the local scheme, national rules remain in place for this group of claimants. As protection remains in place for those of Pensionable Age, the impact of the reduction in funding has fallen upon Working Age claimants as reported during the implementation of the 2013/14, 2014/15, 2015/16, 2016/17 and 2017/18 2018/19 schemes.
7. The Council is part of a Pan Essex Project Group, with a remit to design an Essex Framework for LCTS. The principles of the framework were reported to Cabinet on 12 July 2012. On 22 November 2012 the Council adopted a LCTS scheme following public consultation during the summer of 2012 based on these principles, which are detailed below. For comparison purposes, the LCTS schemes for the other Essex district councils are attached as Appendix A:
 - a) The scheme will be cost neutral;
 - b) Council tax support will continue to be assessed on a means tested basis;
 - c) Council tax support will not be paid above Council tax band H;
 - d) Council tax support is capped at 76 per cent of council tax liability;
 - e) The first £25 of weekly earnings are disregarded in the calculation of support;
 - f) There is no entitlement to support where the applicant has capital of over £6,000; and

- g) Second adult rebate and underlying entitlement were abolished to remove the administrative burden of these.

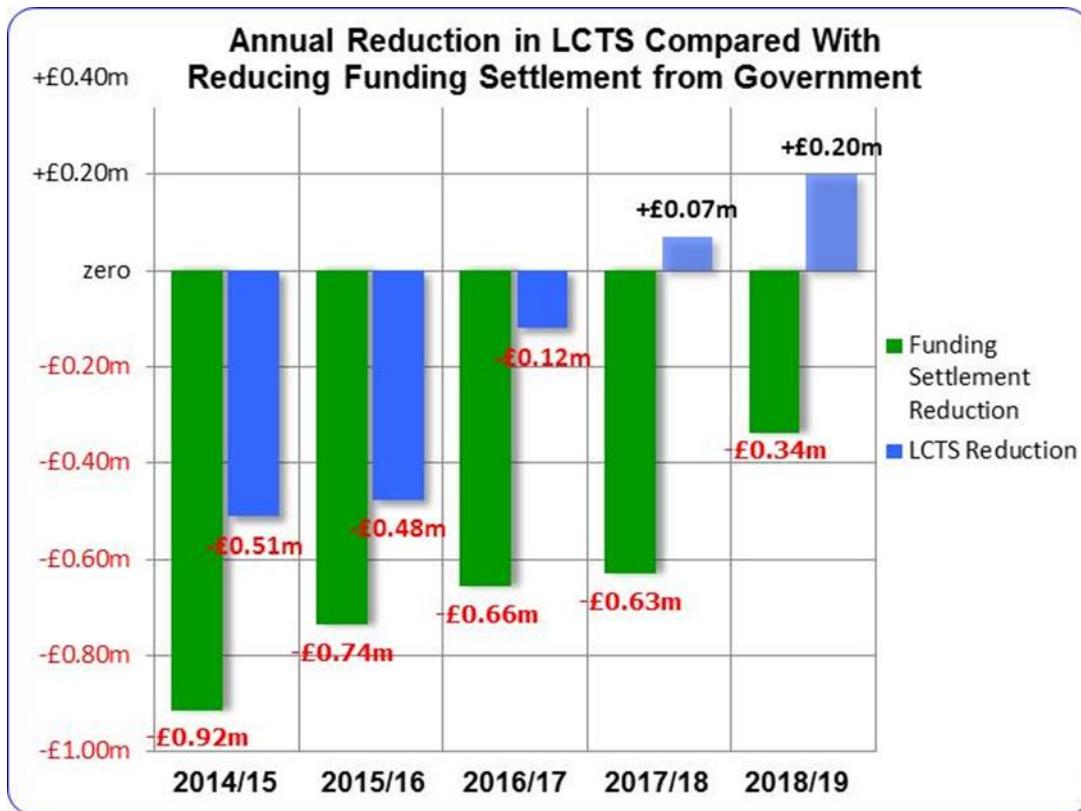
ISSUES/PROPOSALS

8. The Council has ensured that in the development of its local scheme the eligibility criteria for LCTS remains aligned with the previous national council tax benefit scheme, with specific protection for families and persons with disabilities. In addition and despite the reductions in overall Government grant received by the Council the scheme has been supported and maintained without variation to the above principles.
9. The 2013/14 scheme was designed to deliver savings of £1,361,235 to ensure that expenditure on LCTS did not exceed the total Government funding allocated for the scheme. At the time of writing this report the LCTS scheme costs for the current and previous financial years are as follows:

LCTS Award	Pensionable Age		Working Age		Total LCTS Award
	Live Case load	LCTS Spend	Live Case load	LCTS Spend	
Date					
1 April 2013	3,819	£3,535,031	5,302	£3,810,068	£7,345,099
31 March 2014	3,673	£3,483,230	5,189	£3,741,202	£7,117,494
31 March 2015	3,547	£3,240,964	4,890	£3,363,313	£6,604,277
31 March 2016	3,291	£2,941,981	4,469	£3,184,219	£6,126,200
31 March 2017	3,099	£2,936,255	4,510	£3,068,939	£6,005,195
30 September 2017	3,027	£2,895,860	4,147	£3,144,517	£6,040,377
30 September 2018	2843	£2,859,265	4,427	£3,378,867	£6,238,132

10. The Government sets a Formula Funding Settlement for monies it will pay across to local authorities to support their services and legal obligations. In recent years the funding provided by the Government has fallen substantially with consistent annual reductions on previous years' funding. So, whilst the cost to the Council for LCTS had reduced by just over £1.3 million between 2013/14 and 2016/17 (and, using projections, by £1.1 million between 2013/14 and 2018/19), the Council received a reduction in mainstream Government funding

of £2.3 million (over £3.3 million between 2013/14 and 2018/19). The following chart illustrates how the reductions in annual LCTS cost falls short of the annual funding reductions from Government.



11. It was estimated that the in-year council tax collection rate for 2013/14 in Harlow would be affected by the introduction of LCTS and could fall by over three per cent compared to the collection rate in 2012/13. Council tax collection at the end of the second quarter in 2018/18 is reported at 56.07 per cent, compared to a collection rate of 56.83 per cent for the same period in the 2012/13 financial year.

Date	Council Tax Collection Rate
30 September 2012	56.83%
30 September 2013	56.60%
30 September 2014	56.28%
30 September 2015	56.71%
30 September 2016	56.75%
30 September 2017	56.48%
30 September 2018	56.07%

12. At the time of writing this report:

a) Council tax collection rate is currently exceeding original forecasts. The introduction of a 12 month instalment scheme by the Government in 2014 will also be impacting on the collection statistics when compared with prior years with income having been collected predominantly over 10 months.

- b) The additional funding provided within the agreement with the precepting bodies has enabled employment of extra staff dedicated to working with LCTS claimants. This has meant that the normal collection processes on the remaining non LCTS clients has not been compromised.
 - c) There is continuing good engagement with LCTS claimants meaning that it has been possible to agree payment arrangements with residents at an early stage, and reducing avoiding the need for further recovery action.
13. Recovery action for council tax in LCTS cases has been taken in accordance with legislation with the addition of the specialist advice from the LCTS officers. Of all working age LCTS claimants, including those with closed LCTS claims, 1,203 (23.67 per cent) have received a final notice where a payment has not been received and 813 (16 per cent) claimants have been summonsed in the current financial year. Where a summons has been issued, the Council continues to work to engage with those affected to provide support and advice to reach a payment solution wherever possible, subject to the claimant's willingness to disclose relevant information and work with Council officers. The table below provides a comparison with previous years.
14. Whilst the collection position is currently higher than expected and the level of support being awarded has fallen overall, recovery of amounts falling due can take several years to collect and it is currently still early in the operation of the new scheme to be able to forecast what the overall final collection position will be for each year.

LCTS 2019/20 Proposals

15. Officers are keeping the performance of the LCTS scheme under review but as the Council plans for 2019/20 the scheme is still only in its sixth year of operation. Given the complexities of the scheme, the large claimant base and other national factors outside of the Council's control this is still seen as a relatively short period on which to base judgements and future estimates. There are ongoing significant Government led welfare reforms being either proposed or implemented, the impacts of which are difficult to analyse and quantify at this time.
16. Universal Credit Full service was introduced in Harlow in September 2017. Where claimants of Universal Credit (UC) are in work, UC is calculated using real time information Pay As You Earn (PAYE) information. This can result in varying UC entitlement levels from month to month. Where the claimant is in receipt of LCTS, this variation in UC entitlement will result in a change in the level of LCTS each month, which increases or reduces the balance of council tax payable. This interaction with the council tax statutory instalment scheme results in customers receiving multiple bills over the financial year, with revised monthly instalments becoming due. This can lead to confusion, non-payment, and potentially a hampering of the collection and recovery process.

17. In order to mitigate the impacts of UC, Officers have considered the introduction of fixed award periods to the LCTS scheme, whereby the LCTS award would be fixed for 6 months for those in receipt of UC. This option would enable the authority to calculate or recalculate a person's entitlement to LCTS every six months. Whilst the monthly fluctuations would be reduced, the introduction may disadvantage some applicants in the short term as changes that may increase LCTS would not be taken into account until the next assessment period. Additionally there would be a need for exceptions to take effect in the fixed period, for example, an increase in earnings above a specified level, a change in the household makeup, or change in employment. As these exceptions would trigger a reassessment in the fixed period, there would be no reduction in day to day administration as officers would still need to review each UC notification to assess whether the change fell into the list of agreed exceptions.
18. Officer's analysis of council tax accounts has identified that intervention and contact with customers will deliver wider benefits than the introduction of fixed benefit periods. Proactive work and contact with those not making regular payments will enable specialist officers to provide a wider range of assistance and support. There is also merit in making contact with those making regular payments as a small change such as altering the date of monthly direct debit payments could minimise any fluctuation in instalments.
19. Whilst the analysis of the interaction of UC changes and council tax support indicates that fixed periods could minimise the impact of UC changes, at the time of writing this report officers were only able to analyse the first six months of the current financial year and the evidence has not been conclusive. The analysis also highlighted that some customers would be adversely impacted by the change, and again it has not been possible to quantify the impact of this. For these reasons, officers recommend that the situation be kept under review for another 12 months.
20. As at 31 October 2018, 1,203 recipients of LCTS had received a final notice compared to 1,076 at the same point in 2017. Additionally the number receiving a summons has not reduced compared to this point last year, which indicates that the interaction with UC has not seriously hampered the council tax recovery process.
21. Overall, monitoring of the local scheme indicates that it is operating well and that collection of the amounts billed to claimants is being maintained. Engagement with residents impacted by the changes has also been extremely good. In order to maintain certainty for both claimants and the Council, the proposals for the scheme in 2019/20 are to maintain the restriction on the entitlement to support at 24 per cent for a sixth year and that the reductions to the Councils core Formula Funding will not be passed on to claimants despite further reductions being forecast for 2019/20 as part of the Government's measures to reduce expenditure.

Public Consultation

22. A public consultation on the LCTS scheme for 2018/19 was conducted during October 2018. Consultation ended on 31 October 2018 and the results are shown at Appendix C. The consultation made one proposal for change to the scheme, which was intended to simplify its operation and administration, minimising the impact of monthly Universal Credit changes. The option and the consultation responses are set out in the following paragraphs of the report.

Option 1 – Fixed Period Assessments

23. The option will apply only to people receiving UC where their UC entitlement is amended due to changes in their UC income. As UC is calculated using real time information, a person's entitlement to UC often changes each month. This in turn changes a person's entitlement to LCTS each month which then changes the amount that they have to pay for council tax each month. This option will enable the authority to calculate or recalculate a person's entitlement to Local Council Tax Support every six months.

24. By fixing the assessment period, this will avoid multiple changes, be less confusing, avoid the constant recalculations of Council Tax instalments, allow a person to budget over a six month period and will aid administration.

25. The benefit of this is:

- a) It is a clear and simple change to the current scheme;
- b) It is administratively simple and will potentially make administrative savings;
- c) It will help people to budget over longer periods; and
- d) It may benefit some applicants in the short term as changes that may decrease Council Tax Support for a person would not be taken into account until the new assessment period.

26. The drawbacks of doing this are:

- a) It may disadvantage some applicants in the short term as changes that may increase Council Tax Reduction for a person would not be taken into account until the new assessment period.

27. Fifty-eight per cent of (total of 7) respondents agreed with the proposal, 42 per cent (5) responded that they either did not or did not know whether they agreed or not.

28. A full equalities impact assessment was carried out on the current 2016/17 scheme. This has been reviewed and is attached to this report at Appendix D.

Conclusions

29. The LCTS scheme operated by the Council has performed well in its first five years of operation. Claimants have been very well supported by the dedicated officers appointed utilising the resources provided through the funding agreement with the key precepting bodies.
30. Following consultation on the 2019/20 scheme it is again proposed to retain the scheme largely unchanged and it is recommended that fixed benefit periods are not introduced for the reasons set out in the report.

IMPLICATIONS

Place (Includes Sustainability)

No implications specifically arise from the Council Tax Benefit reforms. Welfare Reform more widely will have a range of different impacts on delivery of service objectives.

Author: Jane Greer, Head of Community Wellbeing on behalf of Graeme Bloomer, Head of Place

Finance (Includes ICT)

Financial impacts of the LCTS scheme are being considered as part of the wider budget process and development of the Medium Term Financial Strategy.

Author: Simon Freeman, Head of Finance

Housing

None specific

Author: Andrew Murray, Head of Housing

Community Wellbeing (Includes Equalities and Social Inclusion)

As contained within the report at this stage. The implications of the final scheme will be assessed for impact on vulnerable groups, as outlined in the report.

Author: Jane Greer, Head of Community Wellbeing

Governance (Includes HR)

The Council must have the LCTSS in place by 11 March 2019 and having carried out a consultation exercise it will minimise the risk of challenges to the Council.

Author: Colleen O'Boyle, Interim Head of Governance

Appendices

Appendix A – Proposed Essex Schemes 2019/20

Appendix B – Council Tax Support and Universal Credit Interaction – Case Studies

Appendix C – LCTS Consultation Results

Appendix D – Equality Impact Assessment

Background Papers

LCTSS 2017/18 - <http://www.harlow.gov.uk/council-tax-support-scheme-2017-18pdf>
Annual Fraud Indicator 2013 - <https://www.gov.uk/government/publications/annual-fraud-indicator--2>

Glossary of terms/abbreviations used

CTB – Council Tax Benefit
LCTS – Local Council Tax Support
LCTSS – Local Council Tax Support Scheme
PAYE – Pay As You Earn
UC – Universal Credit

APPENDIX A
Proposed Essex Schemes 2019/20

	Basildon	Braintree	Brentwood	Castle Point	Chelmsford	Colchester	Epping Forest	Harlow	Maldon	Rochford	Southeast-on-Sea	Tendring	Thurrock	Uttlesford
Minimum council tax payment?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
% Minimum council tax payment level 2019/20	25	24	0 - 20	32 /34 /35	23	20	25	24	20	28	25	20	25	12.5
Savings limit	16000	16000	16000	6000	6000	6000	6000	6000	6000	6000	6000	16000	6000	16000
Other benefits counted as income?	No	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	Yes	No	No
Second adult rebate reduced or abolished?	No	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Changes made to non-dependent deductions	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	No	No

Support restricted to a particular council tax band?	Yes	Yes	Yes	Yes	Yes	Consulting	Yes	No	Yes	Yes	Yes	No	No	No
Council Tax band support is restricted to	D	D	D	D	D	-	D	H	D	D	D	-	-	-
Introduce minimum council tax support payment?	Yes	No	No	Consulting	No	Consulting	Yes	No	No	No	No	No	No	Yes
Minimum weekly council tax support payment	£2.50	-	-	50p -£2	-	-£2	£0.50	-	-	-	-	-	-	£2.00
Taper rate	20%	24%	15 -20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
Changes made to conditions around starting work?	No	£40 per week disregard for all claimants	Yes	Yes	Yes	No	No	Yes	No	No	No	No	Yes	Yes
Hardship fund	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	No	No	Yes

Mirror all changes in Housing Benefit	Yes	N/K	No	Yes	No	no	Yes	consulting	yes	yes	Yes	No	yes	yes
Remove Family Premium	No	yes	No	Yes	No	yes	Yes	consulting	yes	yes	Yes		Yes	yes
Changes to Minimum Income Floor	Yes	yes	Yes	No	Yes	Consulting	yes	yes	yes	yes	Yes	yes	Yes	yes
Dependents reduced to two	No		No	Yes	No	no	Yes	No	yes	Yes	yes		Yes	No
Changes made to backdating rules to one month	Yes	yes	Yes	Yes	Yes	yes	No, 3 months	Yes	Yes	Yes	yes	No	Yes	yes
Change Temporary Absence rules	No		No	Yes	No	Consulting	Yes	Yes	yes	yes	yes		yes	yes
Disregard the new Bereavement Support payments for working age applicants		n/a	n/a	n/a	Consulting	consulting	Yes	Yes	consulting					N/A

Introduce discretion in regards to DWP notifications for working age CTS claims.							Yes	Yes	consulting					No
Accept documentation from the DWP as an intention to claim Council Tax Support				Yes			Yes	Yes	Consulting		Yes			Yes

Appendix B

Council Tax Support and Universal Credit Interaction – Case Studies.

The case studies below demonstrate the interaction between Universal Credit (UC), Local Council Tax Support (LCTS) and Council tax monthly instalment scheme.

Case 1

Payments of council tax being made by Direct Debit.

- No history of arrears.
- 10 changes in LCTS in the 2018 financial year (not including original award)
- 8 changes in instalments due, ranging from £112 per month - £164 per month.
- Despite the above, the customer has managed to meet every instalment due and there has been no contact from the customer.

Case 2

Payments of council tax being made by Direct Debit.

- No history of arrears.
- There have been eight changes in LCTS in the 2018 financial year (not including the original award).
- There have been three changes in council tax instalments due in the 2018 financial year, ranging from £64 per month – £132 per month.
- The impact of UC changes on the statutory council tax instalment scheme has caused the instalments due in August 2018 and October 2018 to be missed.
- Despite the above, the customer has managed to meet every instalment due.
- The customer called the Revenues & Benefits service in August 2018 to change the date their bank account would be debited going forward, and have also called in October 2018 to ask why a payment was not taken from their bank account in October. Payment was not taken in October 2018 due to the interaction of UC changes with LCTS and the council tax statutory instalment scheme.

Case 3

- Customer is a cash payer (this does not necessarily mean they pay by cash, it is just that they do not pay by Direct Debit).
- There have been seven changes in LCTS in the current financial year (not including the original award) and 10 bills have been issued in the current financial year.
- Revised instalments have ranged from £35 per month to £160 per month.
- No payments have been made since the end of August 2018.
- The customer had not yet had a reminder, due to the interaction with UC.
- The customer still owes the majority of this year's annual council tax charge. The customer has called the Revenues & Benefits service recently to arrange to pay weekly instalments, but due to the large amount outstanding, these are currently £43 per week.

Case 4

Payments of council tax being made by Direct Debit.

- There have been six changes to LCTS and six council tax bills have been issued in the current financial year.
- Changes to the instalments due have ranged from £25 per month - £87 per month, and due to the interaction with UC, the instalments due in April and September have been missed.
- There has been no contact from the customer.

Case 5

Customer is a cash payer (this does not necessarily mean they pay by cash, it is just that they do not pay by Direct Debit).

- There have been six changes to LCTS and six council tax bills have been issued in the current financial year.
- The customer has been making regular weekly payments, which although not in line with the bill(s), these have enabled the customer to keep up to date with payments due.

Case 6

- There have been seven changes in LCTS, and 10 bills issued in the current financial year.
- The customer has not made any payments of council tax since July 2017, but due to the timing of the change in LCTS, council tax reminders have not been issued, and the next instalment is due on 1st December 2018.
- Debtor has £400 of council tax arrears in addition to the current year's debt.

Case 7

Customer is a cash payer (this does not necessarily mean they pay by cash, it is just that they do not pay by Direct Debit).

- There have been eight changes in LCTS, and 6 bills issued in the current year.
- Instalments due have ranged from £19 per month to £104 per month.
- Customer has made two payments of council tax monthly instalments to date, and currently owes over 75% of current year charge
- The customer has contacted the Revenues & Benefits service recently, as confused at receiving multiple bills. A payment arrangement has been agreed, but the customer is already in default.

Case 8

The customer was a Direct Debit payer, but this has been cancelled.

- There have been seven changes in LCTS in the current financial year, and 10 bills have been issued.
- The council tax account is currently still at bill stage, as no recovery action has taken place due to the multiple changes. Customer owes 80% of this year's charge and also has arrears for the 2017 financial year.
- There has been no contact from the customer.

Case 9

The customer was originally making payments by Direct debit, but the instruction has been cancelled as the last three months payments have been returned as unpaid.

- There have been eight changes in LCTS in the current financial year, and eight bills have been issued.
- The council tax account is currently still at bill stage, and customer owes 50% of this year's charge plus arrears for the 2017 and 2016 financial years.
- The next instalment is due in December.

LCTS Consultation Results

Consultation Closed 31 October 2018

1. I have read the background information about the Council Tax Support Scheme:

		Response Total	Response Percent
Yes		18	90%
No		2	10%
Total Respondents		20	
(skipped this question)			455

2. Should the Council keep the current Council Tax scheme? (Should it continue to administer the scheme and have the same level of support as it does at the moment?)

		Response Total	Response Percent
Yes		8	53%

No		3	20%
Don't know		4	27%
Total Respondents		15	100%
(skipped this question)			460

3. Please use the space below to make any comments you have on protecting the Council Tax Support Scheme from these changes:

Total Respondents	2
(skipped this question)	473
Responses	
<ol style="list-style-type: none"> 1. This is my council tax claim 2. I would like to see Council Tax Benefit reintroduced, however this is not going to happen, at least keep the current scheme as it is. 	

4. Option 1 – Fixed Period Assessments

This option will apply only to people receiving Universal Credit where their Universal Credit entitlement is amended due to changes in their Universal Credit income. As Universal Credit is calculated using real time information, a person's entitlement to Universal Credit often changes each month. This in turn changes a person's entitlement to Local Council Tax Support each month which then changes the amount that they have to pay for council tax each month. This option will enable the authority to calculate

or recalculate a person's entitlement to Local Council Tax Support every 6 months.

By fixing the assessment period, this will avoid multiple changes, be less confusing, avoid the constant recalculations of Council Tax instalments, allow a person to budget over a six month period and will aid administration.

The benefit of this is:

- It is a clear and simple change to the current scheme;
 - It is administratively simple and will potentially make administrative savings;
 - It will help people to budget over longer periods; and
 - It may benefit some applicants in the short term as changes that may decrease Council Tax Support for a person would not be taken into account until the new assessment period.

The drawbacks of doing this are:

- It may disadvantage some applicants in the short term as changes that may increase Council Tax Reduction for a person would not be taken into account until the new assessment period.

Do you agree with Option 1?

		Response Total	Response Percent
Yes		7	58%
No		2	17%
Don't know		3	25%
Total Respondents		12	100%

(skipped this question)	463
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5. If you disagree what alternative would you propose?

Total Respondents	1
(skipped this question)	474
Response	
1. Restore 100% Council Tax Relief for the jobless, including restoring the savings limit of £16,000	

88

6. Do you think the Council should choose either of the following options rather than the proposed changes to the Council Tax Support Scheme? Please select one answer for each source of funding.

6.1 Increase the level of Council Tax

		Response Total	Response Percent
Yes		2	18%
No		6	55%

Don't know		3	27%
Total Respondents		11	100%
(skipped this question)			464

6.2. Find savings from cutting other Council Services

		Response Total	Response Percent
Yes		2	18%
No		7	64%
Don't know		2	18%
Total Respondents		11	100%
(skipped this question)			464

7. If the Council were to choose these other options to make savings, what would be your order of preference? Please tick your preferred option (one only).

	Please select	Response
--	---------------	----------

		Total
Increase the level of Council Tax	100% (7)	7
Reduce funding available for other Council Services	100% (5)	5
Total Respondents		12
(skipped this question)		463

8. Please use this space to make any other comments on the scheme.

Total Respondents	1
(skipped this question)	474
Response	
<ol style="list-style-type: none"> Council Tax is already too high, and a burden on those who have a low income. Council Tax should NOT be increased to fund changes in administration. 	

9. Please use the space below if you would like the Council to consider any other options (please state).

No responses were entered for this question.

Total Respondents	0
(skipped this question)	475

10. Please use the space below if you would like the Council to consider any other options (please state).

No responses were entered for this question.	
Total Respondents	0
(skipped this question)	475

11. If you have any further comments or questions to make regarding the Council Tax Support scheme that you haven't had opportunity to raise elsewhere, please use the space below.

No responses were entered for this question.	
Total Respondents	0
(skipped this question)	475

12. Are you, or someone in your household, getting a Council Tax Reduction at this time?

		Response Total	Response Percent
Yes		4	50%
No		4	50%
Don't know		0	0%
Total Respondents		8	100%
(skipped this question)			467

13. Are you?

		Response Total	Response Percent
Male		2	29%
Female		3	43%
Prefer not to say		2	29%
Total Respondents		7	100%
(skipped this question)			468

14. Please indicate your age

		Response Total	Response Percent
18 - 24		0	0%
25 - 34		3	38%
35 - 44		1	12%
45 - 54		1	12%
55 - 64		1	12%
65 - 74		0	0%
75 - 84		0	0%
85+		0	0%
Prefer not to say		2	25%
Total Respondents		8	100%
(skipped this question)			467

15. Do you consider yourself to have a physical impairment?

		Response Total	Response Percent
Yes		0	0%
No		7	88%
Not Sure		0	0%
Prefer no to say		1	12%
Total Respondents		8	100%
(skipped this question)			467

16. Do you consider yourself to have a sensory impairment?

		Response Total	Response Percent
Yes		0	0%
No		7	88%
Not sure		0	0%
Prefer not to say		1	12%
Total Respondents		8	100%

(skipped this question)	467
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17. Do you consider yourself to have a learning difficulty or disability?

		Response Total	Response Percent
Yes		0	0%
No		7	88%
Not sure		0	0%
Prefer not to say		1	12%
Total Respondents		8	100%
(skipped this question)			467

18. Do you consider yourself to have any mental health needs?

		Response Total	Response Percent
Yes		1	12%

No		6	75%
Not sure		0	0%
Prefer not to say		1	12%
Total Respondents		8	100%
(skipped this question)			467

19. Ethnic Origin: What is your ethnic group?

		Response Total	Response Percent
White British		3	38%
White Irish		0	0%
White Other		1	12%
Gypsy / Roma		0	0%
Traveller of Irish Heritage		0	0%
Black or Black British African		0	0%
Black or Black British		0	0%

Caribbean			
Mixed White / Black African		1	12%
Mixed White / Black Caribbean		0	0%
Black Other		0	0%
Asian or Asian British Pakistani		0	0%
Asian or Asian British Indian		0	0%
Asian or Asian British Other		0	0%
Mixed White / Asian		0	0%
Asian Other		0	0%
Chinese		0	0%
Mixed Other		0	0%
Not Known		0	0%
Prefer not to say		3	38%
Other, please specify		0	0%
Total Respondents		8	100%
(skipped this question)			467

Harlow District Council

Equality Impact Assessment – Local council tax support scheme

Name of service, function or policy being assessed	Localised Council Tax Support Policy 2019-20 This Equality Impact Assessment has been developed considering the following national Equality Impact Assessments: <ul style="list-style-type: none"> • Local Government Finance Bill: Localising support for council tax • Local Government Finance Bill: Technical reforms to council tax • Local Government Finance Bill: Summary impact assessment
Service/Department	Finance / Revenues and Benefits
Names and roles of officers completing the assessment (indicate Lead officer)	Donna Beechener, Revenues and Benefits Manager (Lead Officer)
Contact telephone number of Lead officer	01279 446245
Date assessment completed	5 November 2018

1. Aims of the policy/service/function and how implemented

	Key Questions	Notes
1.1	Is this a new policy/service/function or a review of an existing one?	This is a review of an existing policy and function
1.2	Briefly state the main purpose of the policy/service/function?	To help people with low incomes to afford their Council Tax liability, in line with the Local Government Finance Act 2012.
1.3	Briefly state the main activities of the policy/service/function?	Payment of Council Tax Discounting of Council Tax
1.4	Who are the main beneficiaries? Whose need's is it designed to meet?	Those liable for Council Tax within Harlow. Adults on a low income with low savings Any authority that can levy a Council Tax
1.5	Which staff carry out the policy/service/function?	Revenues And Benefits staff

2. Information Gathering and Data Collection

	Key Questions	Notes	If further data collection is needed – state by whom, when and how is it going to be done?
2.1	<p>What quantitative (numerical) data do you already have (e.g. national and local demographic data, equality monitoring data, employee data, customer profile data etc) about those who use or will use the policy or service? What gaps are there in the data? What else do you need?</p> <p>NB. Attach copies of the relevant data that you are using for this assessment</p>	<p>The scheme was originally modelled based on existing costs, taking account of a potential council tax increase, demand for the scheme and the reduction in Revenue Support Grant. The scheme was originally modelled to be cost neutral, but current estimates are that the scheme costs more than the current level of grant received. .</p>	<p>It is not possible to identify the actual grant received to support the scheme as this has been subsumed into overall formula funding.</p>
2.2	<p>What qualitative data do you already have (e.g. results of customer satisfaction surveys, results of previous consultations, staff surveys, analysis of customer complaints/comments, feedback from community groups or individuals etc) about those who use or will use the policy or service? What gaps are there in the data? What else do you need?</p>	<p>The proposed scheme for 2019/20 for working age claimants does not vary from the current scheme.</p>	

3. Consultation

Please state below what formal or informal consultation has taken place or that you are planning to hold with appropriate stakeholders in relation to this policy/function			
	Key Questions	Notes	If further consultations are needed/ planned – state with whom, by whom, when and how is this going to be done?
3.1	What consultations have been held and with whom did you consult? What were the main issues raised?	A public consultation was conducted for a period of one month, commencing on 1 October 2018 and closing on 31 October 2018. The consultation was conducted by way of an online questionnaire. The consultation was publicly announced.	The scheme will be reviewed annually, and if changes are proposed, then further public consultation will be conducted.
3.2	What consultations were held specifically with the equality target groups? What were the main issues raised?	In introducing a local council tax support scheme in 2013, representatives of equality target groups were identified and contacted electronically alerting them to the consultation and asking them to participate. Locally and nationally concerns were raised about the new liabilities created for those unable to work due to disability. We have addressed these by confirming that the current system of applicable amounts which protect these groups will remain in place.	As 3.1

	Key Questions	Notes	If further consultations are needed/ planned – state with whom, by whom, when and how is this going to be done?
3.3	<p>Is the Council working in Partnership with other organisations to implement this policy/function?</p> <p>Should this be taken into consideration? (E.g. Agreeing the equalities monitoring categories)</p> <p>Should the partnership arrangements have an EIA?</p>	<p>All major precepting authorities in Essex, which work together to devise the support scheme.</p> <p>HDC – Corporate Housing; Resource Management</p> <p>Department for Work and Pensions</p> <p>Department for Communities and Local Government .</p> <p>Each LA participating in the Essex project will conduct their own EQIA. DWP & DCLG have undertaken EQIA's which are publicly available.</p>	As 3.1

Note

- It is a legal requirement that consultation takes place with appropriate stakeholders as part of the EIA process.
- You must ensure that you record all the main areas of concern raised by equality and customer groups during consultations and how you aim to address these concerns.

4. Assessment of Impact

Based on the data you have analysed and provided, and the results of the consultation or research you have undertaken, list below how the policy or function will or does work for each of the following equalities groups.

Identify any differential impact and consider whether the policy/function meets any particular needs identified for each of the six equalities groups.

NB:If you do identify any adverse impact you must:

- a) **Seek appropriate advice as to whether it is highlighting unlawful discrimination or is potentially discriminatory, and**
- b) **Identify steps to mitigate any adverse impact**

Include any examples of how the policy or function helps to promote race, disability, age and/or gender equality.

		State evidence of impact or potential impact/How helps to promote equality
4.1	<p>Gender – identify the impact/potential impact of the policy/function on women, men and transgender people And/or</p> <p>Proposed measures to mitigate any adverse impacts</p>	None identified
		State evidence of impact or potential impact/How helps to promote equality

4.2	<p>Disability – identify the impact/potential impact of the policy on disabled people (ensure consideration of a range of impairments including visual and hearing impairments, mobility impairments, learning disability etc) And/or</p> <p>Proposed measures to mitigate any adverse impacts</p>	<p>All Disability Living Allowance Benefits will continue to be disregarded thereby protecting those with specific long term conditions who fall within this group. People with disabilities will continue to receive additional premiums as part of the calculation.</p> <p>The above helps to “advance equality of opportunity between people who share a protected characteristic and those who do not.”</p>
4.3	<p>Age – identify the impact/potential impact of the policy/function on different age groups And/or</p> <p>Proposed measures to mitigate any adverse impacts</p>	<p>Older people (Pensionable Age); This group is specifically protected under Government Regulations.</p> <p>Younger people (17-25); 17 year olds may be disadvantaged indirectly if their parents have to pay more as a result of this policy. People over 18 of working age will be required to pay more.</p> <p>The Council has agreed an exceptional hardship fund to assist those in extreme hardship.</p> <p>Children (0-16); Removing the Family Premium for new claims, may affect those under 16.</p>
4.4	<p>Race – identify the impact/potential impact of the policy/function on different black and minority ethnic groups, including Gypsy and Traveller communities And/or</p> <p>Proposed measures to mitigate any adverse impacts</p>	None identified
		State evidence of impact or potential impact/How helps to promote equality

4.5	<p>Sexual orientation – identify the impact/potential impact of the policy on lesbians, gay men, bisexual and heterosexual people</p> <p>And/or</p> <p>Proposed measures to mitigate any adverse impacts</p>	None identified
4.6	<p>Religion/belief – identify the impact/potential impact of the policy on people of different religious/faith groups and also upon those with no faith</p> <p>And/or</p> <p>Proposed measures to mitigate any adverse impacts</p>	None identified
4.7	<p>Socio-economic disadvantage – identify any impact on those who have a low income, or whose family circumstances/history may affect their ability to access services eg. carers and the cared for; pensioners; single-parents; long-term unemployed; history of abuse/domestic violence; benefits claimants; housebound; chronically ill;</p>	<p>The impact of the proposed scheme will be felt most by those of working age who are not disabled, some of the affects will be mitigated by more generous incentives to work.</p> <p>The Council has agreed an exceptional hardship fund to assist those in extreme need.</p>

4.8	<p>Any other groups, if appropriate e.g. children leaving care; pregnant or breast-feeding mothers; carers etc</p>	<p>Parents will continue to receive a child allowance. Working parents receive a higher disregard of their earnings reflecting their childcare costs.</p> <p>The Council has agreed an exceptional hardship fund to assist those in extreme hardship.</p> <p>The above helps to “advance equality of opportunity between people who share a protected characteristic and those who do not.”</p>
		<p>Notes</p>
4.9	<p>Are there any additional measures that could be adopted to further equality of opportunity in the context of this policy/service/function and to meet the particular needs of equalities groups that you have identified?</p>	<p>None identified.</p>

NB

Please provide a summary overview by completing the Section overleaf, ticking the relevant boxes to confirm the outcome and findings of this assessment process

It is also essential that you complete an action plan based on your assessment (see form EIA.2) and attach this to your Equality Impact Assessment form (EIA.1) form. This is a vital component of the equalities impact assessment process.

Include all of the measures that you will take to improve the policy/function for the different equalities characteristics, e.g. staff training, positive action, revisions to policy, monitoring of your action plan, etc.

Once you have completed the forms EIA.1 and EIA.2 please sign and date and:

- a) Send a copy to your Head of Service for endorsement
- b) Keep a copy as a record of the processes you have been through in carrying out the EIA
- c) Send a PDF copy of the signed and endorsed EIA form plus enclosed action plans to the Corporate Equalities Group via the HDC Community Liaison Officer equalities@harlow.gov.uk

5. Summary Overview of EIA

As a summary overview of information and findings provided in the earlier sections of this Equality Impact Assessment, please tick the relevant boxes as appropriate to denote the OUTCOME of this process for each of the Equality Characteristics.

Equalities category	No adverse impact AND promotes equality and diversity <i>Please tick ✓ if appropriate</i>	No adverse impact BUT equality and diversity NOT promoted <i>Please tick ✓ if appropriate</i>	Evidence of adverse impact <i>Please tick ✓ if appropriate</i>
Gender and transgender	<input checked="" type="checkbox"/>		
Race	<input checked="" type="checkbox"/>		
Disability	<input checked="" type="checkbox"/>		
Age			<input checked="" type="checkbox"/>
Sexual orientation	<input checked="" type="checkbox"/>		
Religion and belief	<input checked="" type="checkbox"/>		
Socio-economic disadvantage			<input checked="" type="checkbox"/>

NB: Tick relevant box as appropriate and based on information provided in section

Note

- If you are unsure of any aspect of this Equality Impact Assessment process you can seek guidance from your service representative on the Corporate Equalities Group or from the HDC Community Liaison Officer who can be contacted on equalities@harlow.gov.uk and extension 6388.
- Once the EIA form has been completed please ensure all enclosures are attached then sign and date the form, ensure it is countersigned by your Head of Service, keep a copy for your records and send a PDF to equalities@harlow.gov.uk

Signed Project Manager Countersigned Head of Service

Print Name Print Name

Date Date

Under the Freedom of Information Act, this completed EIA form will be placed on the Harloweb and be available on request to the general public.