

**MINUTES OF THE CABINET OVERVIEW WORKING GROUP
HELD ON**

9 August 2018

7.30 - 8.30 pm

PRESENT

Overview Working Group Members

Councillor Ian Beckett (Chair)
Councillor Tony Edwards (Vice-Chair)
Councillor David Carter
Councillor Simon Carter
Councillor Jean Clark
Councillor Michael Garnett
Councillor Maggie Hulcoop

Officers

Simon Freeman, Head of Finance
Jane Greer, Head of Community Wellbeing
Adam Rees, Governance Support Officer

Additional Attendees

Alan Phelps, NPS Group

1. **APOLOGIES FOR ABSENCE**

None.

2. **DECLARATIONS OF INTEREST**

None.

3. **MINUTES**

RESOLVED that the minutes of the meeting held on 12 April 2018 be agreed as a correct record.

4. **MATTERS ARISING**

None.

5. **NON-HOUSING ASSET MANAGEMENT STRATEGY - PRESENTATION**

Alan Phelps, NPS Group, gave a presentation (a copy of the presentation is appended to the minutes) on part one of the Non-Housing Asset Management Strategy, which set out the operating context and strategic direction of the Strategy. In particular he highlighted the proposal to

segment the Council's portfolio into four portfolios; Community, Operational, Commercial, and Opportunity.

Jane Greer, Head of Community Wellbeing, said it was recommended that a focus group be established to consider part one of the Strategy. The Group would then be able to consider part two of the Strategy, which would look at the existing sites and facilities within the Council's portfolio.

RESOLVED that:

A The presentation be noted.

B A focus group comprising of Councillors David Carter, Simon Carter, Mike Garnett and Maggie Hulcoop be established to consider part one of the Non-Housing Asset Management Strategy.

6. **WORK PLAN**

RESOLVED that the Work Plan be noted.

7. **MATTERS OF URGENT BUSINESS**

None.

CHAIR OF THE OVERVIEW
WORKING GROUP

Non-Housing Asset Strategy

Alan Phelps

The Strategy in Essence

- Harlow faces challenges & opportunities
- Property must be used to ensure these opportunities are realised
- Property is both cash consuming & cash generating – plays an important part in supporting the Council’s revenue budget
- Property has long term latent value that can be exploited through development or strategic use
- Strategy is focussed on identifying and harnessing this latent ‘opportunity value’
- May require new approaches (capacity, expertise & delivery models)

Purpose

- Raise profile of property as a strategic resource
- Set long term direction for its management
- Set the context for decision making on property – now & in the future
- 5 ➤ Identify actions to take the strategy forward
- Promote a common understanding of property

- Present a radical but practical solution to meet the Council's needs

Scope & Development Process

- Property (but excluding housing assets)
- 5 year+ time horizon
- Two parts
 - Strategic (non-site specific)
 - Operational (site specific)
- Collaborative
 - On-site + working with Property & facilities
 - Engagement – at outset / during development / validation

Overview of Portfolio

Total Number of Properties			
493			
Value	Cost	Income	Condition
£83.315M For capital accounting purposes	£3.504M Annual running cost	£6.385M From lettings	£12.420M Estimated repair backlog

Operating Context (1)

National

- Public spending constraints
- Localism & place shaping
- Partnership working (OPE)
- 8 ➤ Health & care integration
- Naylor review
- Population growth
- Housing need

Regional / Local

- M11 corridor + J7a
- Digital Innovation Zone (DIZ)
- Harlow & Gilston Garden town
- SELEP
- Local Plan
- Town Centre Action Plan
- Public Science Health Campus
- Enterprise Zone

Operating Context (2)

Resource Pressures

- ▶ Potential shortfall in budget if savings not realised (over medium term)
- ▶ Declining capital receipts leading to pressure to borrow
- ▶ Property currently contributes to revenue budget – seeking to increase this

Challenges in the Portfolio

- ▶ Legacy of underinvestment (in portfolio)
- ▶ Profile of property
- ▶ Governance arrangements
- ▶ Statutory compliance in commercial portfolio (tenant obligations)

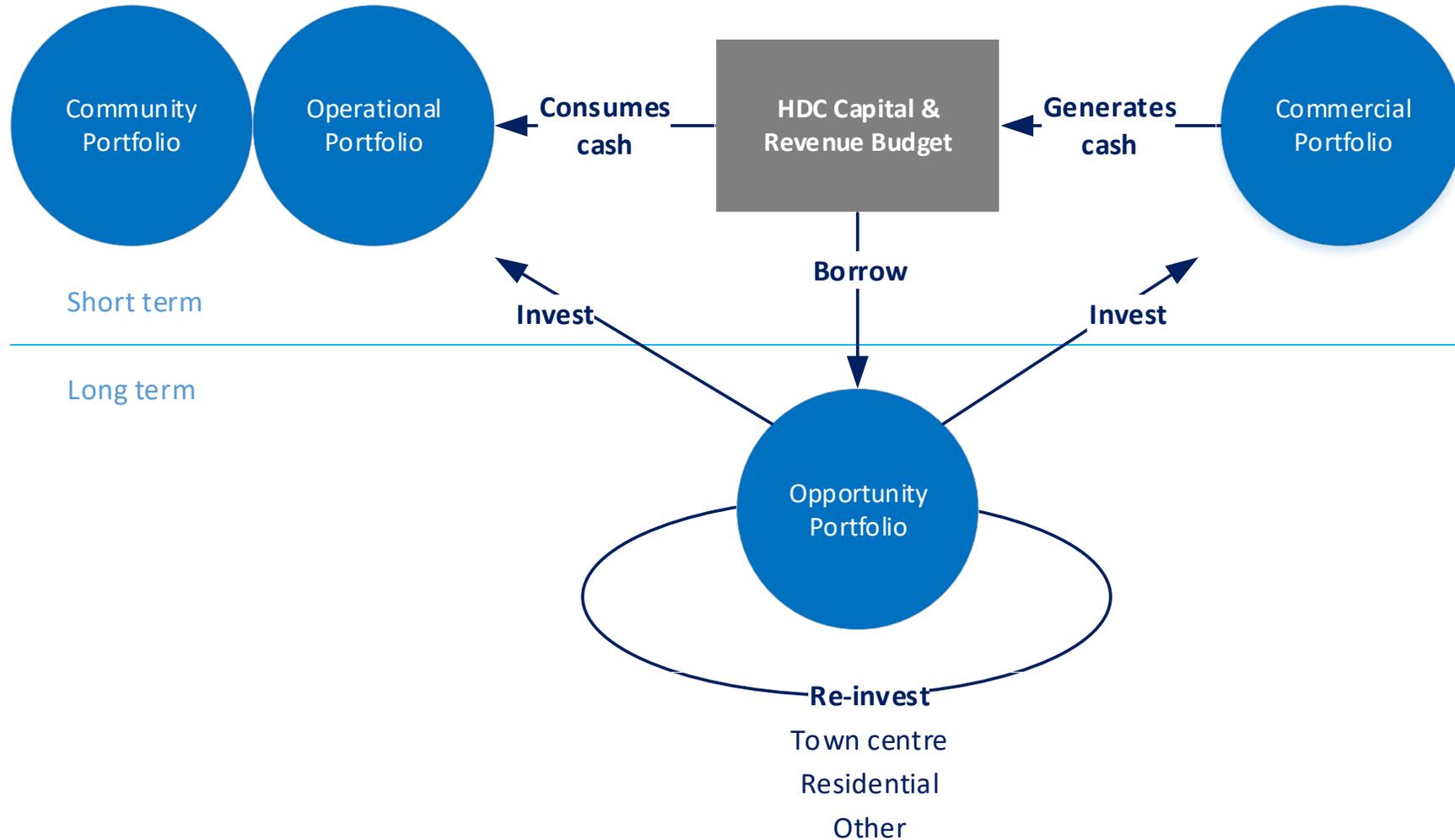
Strategic Direction & Key themes

Using property to promote renewal of the public realm and to ensure the Council's financial security

- Segmenting the portfolio
- Growing the opportunity portfolio
- Partnership working
- Enhancing delivery capability
- Evaluate delivery mechanisms
- Business as usual

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Strategic Direction & Key themes



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Making it Happen!

- ▶ Key actions identified under each theme – these are in addition to ‘business as usual’

Key Issues

- ▶ Commitment to the strategy & identified concept of portfolio segmentation
- ▶ Council’s attitude to risk
- ▶ Organisational capacity & expertise

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Any Questions?

Thank you

Operating Context

National Influences

- Public expenditure constraints
- Public health reform
- Localism
- Place shaping
- Partnership working
- One Public Estate
- Integrating Health & Social Care
- Naylor Report
- Population growth & housing need

Regional & Local Influences

- London – Cambridge corridor
- Digital Innovation Zone (DIZ)
- Harlow & Gilston Garden town
- SELEP
- Local Plan
- Town Centre Action Plan
- Enterprise Zone
- Public Science Health Campus

Problems & Opportunities in the Portfolio

- Legacy of under investment
- Profile of Property
- Governance
- Statutory Compliance in the Commercial portfolio

Corporate Priorities

More & better housing

Regeneration and a thriving economy

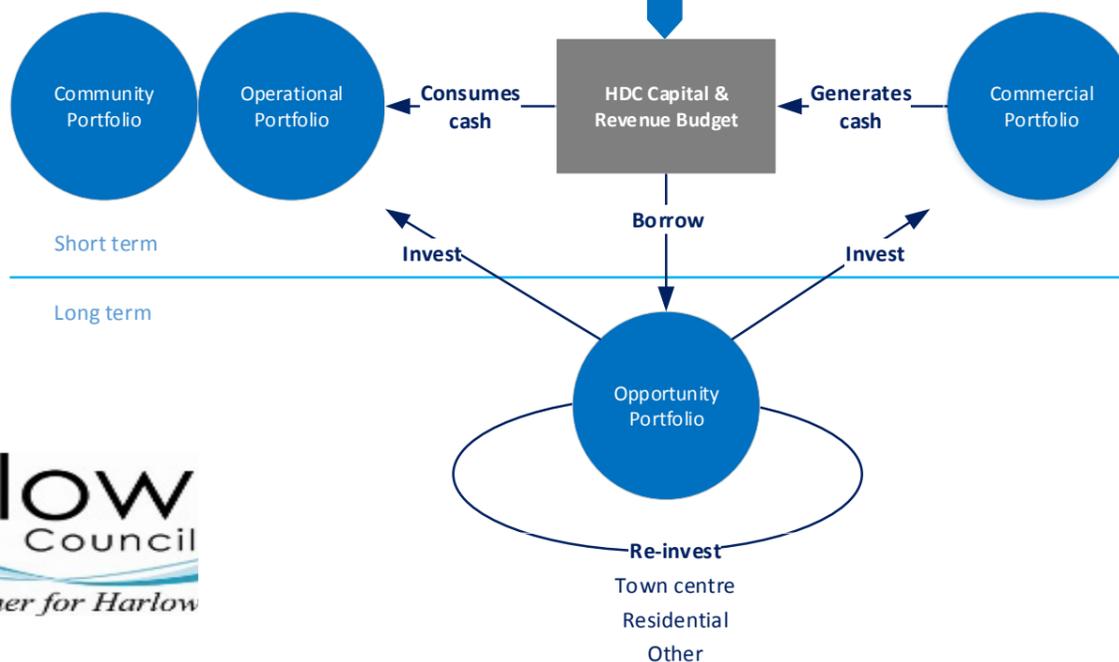
Well-being and social inclusion

A clean and green environment

Successful children and young people

Strategic Direction

Using property to promote renewal of public realm and to ensure the Council's financial security



Segmenting the portfolio

Dividing the portfolio into discrete sub-portfolios will allow recognition of their different characteristics & needs & to give a specific management focus to each

Growing the opportunity portfolio

It will be important to identify sites with long term value which can be exploited for the benefit of the Council & the community to be added to the opportunity portfolio

Partnership working

Partnership working will improve resource efficiency & support public service integration. HDC will need to work with partners to shared asset where possible

Enhancing delivery capability

Develop the capacity, governance, procedural & cultural requirements associated with developing a 'step change' in the scale & ambition of delivery

Evaluate delivery mechanisms

Evaluate alternative methods of developing out sites with latent value through use of strategic partners & alternative asset ownership models

'Business as usual'

Undertake the ongoing operational activities associated with managing the portfolio on day to day basis

Making it Happen – A Framework for Action

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| <ul style="list-style-type: none"> • Define rationale & management objectives for portfolios • Identify key performance measures for each portfolio • Review assets to categorise into the portfolio(s) • Review sites to identify any with latent dev. potential • Identify & define options for developing value (feasibility) • Re-designate identified sites as part of opportunity portfolio | <ul style="list-style-type: none"> • Create 'concordat' to secure commitment to joint working • Locality review - identify scenarios for town centre • Review potential for funding support via 1 Public Estate • Establish Strategic Property Board to oversee strategy • Assess capability & capacity of Property & Facilities Team • Identify lead focus to progress on opportunity portfolio | <ul style="list-style-type: none"> • Review capital prioritisation process – Agree approach • Move to single source of data based on Technology Forge • Identify options for developing out opportunity assets • Evaluate options to determine 'best fit' with HDC culture • Develop OBC for preferred delivery mechanisms • For 'business as usual' see Property Asset Strategy - Part 2 |
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