

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.

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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:

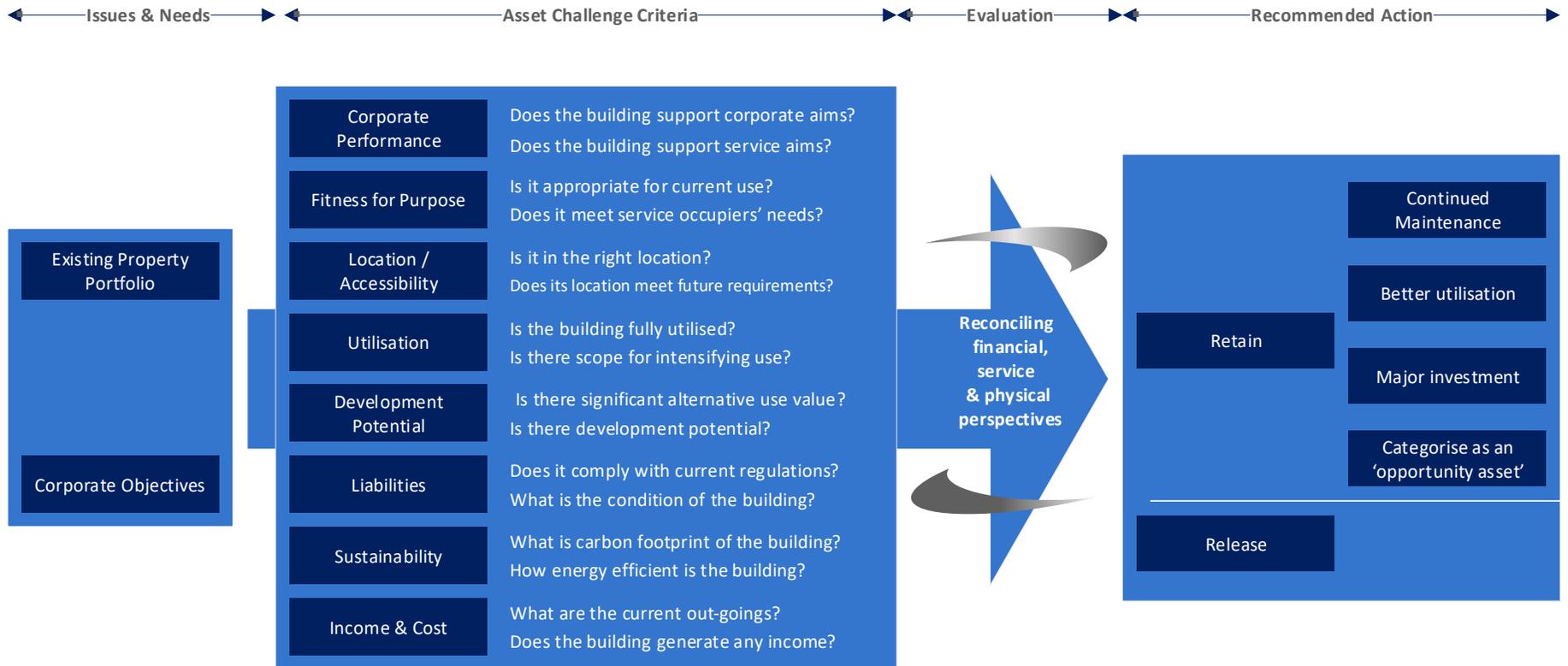
Description	Income	Expenditure	Net
Energy		£520,921	£520,921
Insurance	-£21,903	£37,565	£15,662
Local Tax	-£5,820	£617,773	£611,953
Maintenance		£1,939,980	£1,939,980
Rent	-£6,379,792	£61,426	-£6,318,367
Security & Cleaning	-£412	£233,434	£233,022
Service Charge	-£408,153	£23,446	-£384,707
Water		£70,046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

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

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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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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				Council's Carbon (kg)	Recommended Action(s)
				Cost/ Income	k = £,000		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.

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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		
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

² Includes Highways, Street Signs and Town Centre Enhancements

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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

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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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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	

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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 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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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	
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	

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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
					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	

Property Asset Strategy
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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		

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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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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	

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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			
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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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	

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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			
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								

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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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