



HACKNEY TOWN HALL



1. Making Property Assets Work in Support of the Council's Strategic Goals

- Strategic Asset Management is the discipline that drives this objective
- It is resourced centrally by a multidisciplinary team of professionals within the Finance and Resources Directorate
- Being centralised, the allocation of council owned assets to particular uses is unbiased and as independent as is practically possible
- The in-house skills are of an uncommonly high standard, with very low turnover of senior staff, meaning that valuable local knowledge and industry experience is retained
- The work undertaken by these teams is governed according to the structure set out below

2. Process and Governance: Protecting Value

- The Council's "corporate landlord" is Strategic Property Services and this is responsible for ensuring that the Council achieves the greatest possible value from its property assets
- Value is defined by the Council's priorities. The Council must remain financially sustainable, and so the use of property must be financially viable in supporting the pursuit of the Council's political priorities
- The principal purpose of certain assets is predetermined: the commercial portfolio produces income which is budgeted and supports the delivery of council services. These assets can and do make economic and social contributions in addition to the income stream which they yield

3. Process and Governance: Protecting Value

- Challenging the use of assets is a constantly ongoing role of strategic asset management because the Council's requirements change over time (eg growth in demand for temporary accommodation, changes in working patterns and impact on office requirements)
- The strategic asset management function maintains data on the performance of assets, based on condition, cost and environmental performance
- This data is constantly updated, and the use of assets is challenged according as the data directs us, and LBH's strategic priorities evolve through manifesto commitments and policy and strategy documents

4. Process and Governance: Component Parts

- If an asset is considered for a change of use, or enhancement through a capital investment, then a report covering the options is produced and a preferred option is identified. This work is led by the strategic asset management team and options are worked up with the relevant Council services
- The preferred option is tested with members via the regular 2 to 1 arrangements, and where necessary, 3 to 1 to include the Mayor
- The preferred option will then be presented to tier 2 of the Council's Capital and Asset governance structure. That group is comprised of Directors and Heads of Service from across the Council so each report receives pan-organisational scrutiny and challenge.
- If the report gains the support of Tier 2, it is taken to Tier 1 which includes Group Directors and Cabinet Members. It is challenged, and if approved a decision is recorded or the recommendation is endorsed and taken on to Cabinet if necessary.
- For a proposal to be developed into an options paper, the relevant department must demonstrate the need via its service plans and produce a business case, with assistance from Strategic Property Services and Finance.

4. Process and Governance: Component Parts

- Corporate Priorities (as defined in key Council strategy docs and manifesto commitments)



- Departmental Service Plans



- Space requirements



- Business case



- Options Appraisal



Tier 2 Officer Challenge & Recommendation



Tier 1 Challenge & Endorsement

4. Capital, Climate Change, Environmental Challenges and Net Zero Targets

When we identify required capital works, we review the requirement in the context of the long term lifecycle of a building. It might be expedient, and offer value for money to enhance the scope to include environmental upgrades at the same time.

Schools Example

- Facades Programme
- Education Property is engaging with Hackney Light and Power and the Carbon and Energy Management Team to coordinate and support green energy initiatives.
- A bid for potential Air Source Heat Pumps has been submitted and the outcome awaited.

4. Capital, Climate Change, Environmental Challenges and Net Zero Targets

Commercial Portfolio

This portfolio comprises roughly 350 leases:

- As well as the Council's declared Net Zero ambitions, legislation is evolving in the wider property industry, and the principal element affecting LBH's commercial portfolio is the Minimum Energy Efficiency Standards which apply when completing new leases
- The entire portfolio is subject of an internal review. Our target is to move assets to EPC B by 2030, in order to comply with legislation and the Council's own objectives.
- The review is based on building surveys which will help to inform an understanding of what work is required and how much it will cost.
- All of this work will feed into the Council's 10 year capital programme
- This might lead us to reconsider whether or not we should continue to own certain assets