


<b>Cabinet</b>	 <b>TOWER HAMLETS</b>
Wednesday, 24 July 2024	
<b>Report of:</b> Paul Patterson, Interim Corporate Director, Housing and Regeneration	<b>Classification:</b> Unrestricted
<b>Strategic Asset Management Plan 2024-29</b>	

<b>Lead Member</b>	<b>Councillor Saied Ahmed, Cabinet Member for Resources and the Cost of Living</b>
<b>Originating Officer(s)</b>	Dave Hughes, Interim Director, Regeneration & Assets Thomas Smith, Strategy & Policy Officer
<b>Wards affected</b>	(All Wards);
<b>Key Decision?</b>	No
<b>Reason for Key Decision</b>	This report has been reviewed as not meeting the Key Decision criteria.
<b>Forward Plan Notice Published</b>	19/06/2024
<b>Exempt information</b>	None
<b>Strategic Plan Priority / Outcome</b>	All priorities

### **Executive Summary**

This report introduces the council's Strategic Asset Management Plan 2024-29 ('SAMP'). By reviewing the operating context both within and outside the Council, the SAMP sets out the main priorities and high-level actions by which the Council intends to manage its property assets over a 5-year period.

The aim of the SAMP is to enable the council to review its property assets to better pursue its corporate goals, which may enable existing sites to be repurposed for other priorities such as housing delivery. It will also allow us to focus on Best Value in relation to property – through aspects such as improving occupancy of our service buildings and optimising the income received through our leased estate.

The Tower Hamlets Strategic Asset Management Plan 2024-29 is appended in full at the end of this report as Appendix A.

## **Recommendations:**

The Mayor in Cabinet is recommended to:

1. Approve the proposed Strategic Asset Management Plan 2024-29 ('SAMP') and the high-level actions which flow from the Plan.

### **1 REASONS FOR THE DECISIONS**

- 1.1 The Council's previous Asset Strategy was adopted in 2015 and ran until 2020. While some longstanding challenges have remained since that time, much has changed in terms of the Council's overall strategy on investment in public services and in how we prioritise our finances. It was therefore felt to be an opportune moment to renew this Strategy.
- 1.2 More generally, a strategic document allows the Council to set out longer-term goals in respect of its property assets, thereby aligning property to key corporate strategies such as the Strategic Plan, Medium Term Financial Strategy and Local Plan.
- 1.3 A renewed strategy will also provide the opportunity for the Council to develop new workstreams to help us reach our goals.

### **2 ALTERNATIVE OPTIONS**

- 2.1 The Council could choose not to adopt the Strategic Asset Management Plan. This would mean that our aims for our property assets are not explicitly articulated in council policy and long-term actions would be taken forward in a less coordinated fashion.

### **3 DETAILS OF THE REPORT**

#### **Context**

- 3.1 Tower Hamlets owns over 1100 separately listed non-dwelling building and land assets, with a book value of over £1.3bn.
- 3.2 Property assets play a critical 'enabling' role within the Council: accommodating services; underpinning our finances; and supporting our wider aims of local economic and social development.
- 3.3 The SAMP reviews the context with relevance to property assets, in particular:
  - External trends such as economic and population growth.
  - The strategies and policies which influence the need for property and what benefits the council expects to realise from property.
  - The operational context of our assets – such as building condition, running costs and usage patterns.

## **Priorities**

3.4 Following analysis of our ambitions and the key challenges facing the council, four priorities are proposed for the next 5 years:

- Responding to changing property need – reviewing council services’ forecast needs for property over the next 5 years
- Supporting the council’s financial sustainability – setting out the interaction of the council’s financial strategy with our asset planning
- Managing our estate as a corporate landlord – ensuring that we take a ‘corporate view’ of assets through our Corporate Landlord Model framework
- Responding to the Net Zero challenge – reviewing the implications of the Net Zero Council target, in view of the significance of buildings to the need for decarbonisation

## **Implementation**

3.5 The SAMP includes sections under the heading of ‘What We Will Do’. These sections set out the high-level actions which will be required to implement the SAMP. The Property & Major Programmes division will lead on these, in partnership with services.

3.6 Following adoption of the SAMP, these will be further developed by the Property & Major Programmes division into a detailed ‘Living Action Plan’. This action planning will ultimately be integrated into the work programmes of the corporate property services – Facilities Management, Asset Management, and Capital Delivery – as appropriate.

3.7 As part of the above, an Asset Review project will be undertaken, the first phase of which will categorise individual assets using a recognised methodology. This will then guide a future phase in terms of deciding which assets to retain, which to make further investment in, which to repurpose for other uses, and so forth.

## **4 EQUALITIES IMPLICATIONS**

4.1 An Equalities Impact Analysis Screening Tool is appended at Appendix C.

4.2 There are no immediate equalities implications arising from the SAMP. Any new decisions, policies or plans flowing from the action plan will be reviewed for any equalities impacts.

## **5 OTHER STATUTORY IMPLICATIONS**

5.1 This section of the report is used to highlight further specific statutory implications that are either not covered in the main body of the report or are required to be highlighted to ensure decision makers give them proper consideration. Examples of other implications may be:

- Best Value Implications,
- Consultations
- Environmental (including air quality),
- Risk Management,
- Crime Reduction,
- Safeguarding.
- Data Protection / Privacy Impact Assessment.

5.2 Best Value Implications: The Strategic Asset Management Plan is focused on achieving financial efficiency (optimising income and reducing running costs) and on efficiency of use (re-purposing or improving occupancy of underused spaces). It aims to ensure that property assets are allocated to their most effective uses – be that service delivery, contributing to housing targets or for income generation.

5.3 As such the SAMP forms part of the council’s “arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness”.

5.4 Consultation: As this is principally an internal strategy, most of the consultation has taken place with directorates and services. If an outcome of the implementation of the strategy impacts on service users or residents, the appropriate consultation and engagement will need to be carried out.

## **6 COMMENTS OF THE CHIEF FINANCE OFFICER**

6.1 There are no financial implications from this report which seeks approval of the proposed Strategic Asset Management Plan 2024-29. Costs associated with developing the plan are contained within existing budget provision.

## **7 COMMENTS OF LEGAL SERVICES**

7.1 Section 120 of the Local Government Act 1972 gives councils the power to acquire property by agreement for the purpose of any of its functions or for the benefit, improvement, or development of the area.

7.2 Section 1 of the Localism Act 2011, known as the general power of competence, enables a local authority to do anything that an individual generally may do (subject to prohibitions, restrictions, and limitations in existing statute which are not applicable in the circumstances set out in the report).

7.3 The council also has the power to invest for the purpose of the prudent management of its financial affairs under Section 12 of the Local Government Act 2003.

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## **Linked Reports, Appendices and Background Documents**

### **Linked Report**

- NONE

### **Appendices**

- Appendix A – Strategic Asset Management Plan, 2024-29
- Appendix B – Service Needs
- Appendix C – Equality Impact Analysis Screening Tool

### **Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012**

- NONE

### **Officer contact details for documents:**

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