

“IFRS16 provided the catalyst to make the changes we wanted.”

The CCH Tagetik solution will reduce a lot of manual effort across the whole finance team.

MHR



**Customer:**  
Hackney London Borough Council



**Number of employees:**  
4,500



**Sector:**  
Local Government



**Solution supplied:**  
CCH Tagetik Lease Accounting

## About Hackney Council

Hackney Council is the 16th largest council in London supporting over 280,000 residents. They provide a significant number of services ranging from housing, social care, community care and environmental health.

They currently employ 10,000 people to deliver their services across the borough based in their head office, schools, youth hubs, libraries, and housing estates.

Their vision is to make Hackney a place for everyone. Where all the residents, whatever their background, have a chance to lead healthy and successful lives.

## What they were looking for

With IFRS16 representing a major accounting standard change it was seen as a good opportunity by the council to review the way they managed and reported on their leases.

As with many public sector organisations there can be quite a number of different leases in place for assets such as temporary accommodation, waste management and buildings.



“We knew we needed a solution to deal with the step change in reporting requirements.”

**James Newman**  
Chief Accountant  
Hackney London Borough Council

## Results and benefits

Implementing the solution will provide automation to remove the manual reporting, journal entries and analysis that is needed with the current approach for leases. The finance team will now be able to regularly check and bring the lease costs into financial conversations about how they can affect the financial position of the Council throughout the year. Better decisions can then be made as they look more objectively and comprehensively about the leases they hold and how they affect their financial position.

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## Challenge

Hackney Council was looking for a solution that could:

- Help with the reporting and control for over 300 leases and comply with IFRS16 standards
- Provide more real time accuracy of the costs associated with lessors and lessees
- Provide a centralised area for managing leases and a solution that can automate journal entries
- Remove the use of spreadsheets and reduce errors
- Automate journal entries



**Detailed and automated reporting**

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**Increase of productivity and efficiency**

The council already reports on the lessor side of leases through financial reporting/final accounts, but with the onset of IFRS16 it meant providing the lessee side as well. This more than doubled the workload and meant staying with their existing method of information management and reporting was therefore not really an option.

“We needed a strategic view of the way we deploy our assets and the spend attributed to them.”

## Solution

The Authority worked closely with MHR and CCH Tagetik to help configure their lease accounting software so it could align with the requirements for local government.

They chose the CCH Tagetik software as it could address the reporting and analysis requirements, looked an intuitive platform and was easy to use.

Partnering with MHR has provided the opportunity for all parties to build a solution that complies with IFRS16 standards but also delivers a robust centralised repository for all lease information.



The CCH Tagetik lease accounting software will bring more detail to lease reporting and provide better management information.



The year-end account process is already pretty full so the use of automation will help reduce workload and save time.



They can now free up more of their people's time to work on more value adding activity.