



## Assets, Regeneration and Growth Committee

March 2015

<b>Title</b>	<b>London Borough of Barnet Accommodations Options Review Strategic Outline Case (SOC)</b>
<b>Report of</b>	Interim Chief Operating Officer
<b>Wards</b>	All
<b>Status</b>	Public
<b>Enclosures</b>	Strategic Outline Case (SOC)
<b>Officer Contact Details</b>	Chris Smith, Head of Estate Management, London Borough of Barnet

### Summary

An Accommodation Options Review has been commissioned in relation to Barnet council's office accommodation provision from October 2015 onwards in accordance with HM Treasuries Green Book, Five Case principles. The Strategic Outline Case (SOC) has been prepared to enable officers and members to review the accommodation options and identify a preferred way forward for the Civic Estate.

### Recommendations

1. That the Committee acknowledge and note the contents of the Strategic Outline Case (SOC).
2. That the Committee note the SOC indicates the preferred way forward for Barnet Council's office accommodation is to proceed on the basis of a new build development at Colindale.
3. That an Outline Business Case (OBC) should be prepared for consideration by LBB in June 2015.

## **1. WHY THIS REPORT IS NEEDED**

- 1.1 There are a number of medium term options available to the council from 2017 onwards. These are:

***A. Do nothing: e.g. status quo***

***B. Consolidate into Barnet House and Unit 2, North London Business Park***

***C. Seek alternative rental accommodation***

***D. Develop a new bespoke building for occupation by the council***

### **1.2 Green Book, 5 Case, Business Studies**

- 1.2.1 The SOC has been completed in accordance with HM Treasury's Green Book 'five-case' business case principles and therefore includes the following:

- Strategic Case – setting out the context for the Council's office accommodation, current arrangements and the case for change, constraints and investment objectives;
- Economic Case – appraising the options for office accommodation for Barnet, and the preferred way forward;
- Commercial Case – indicating the commercial implications of the preferred way forward;
- Financial Case – indicating how the preferred way forward could be funded; and
- Management Case – outlining the initial plans for delivery to manage the way forward.

- 1.3 The SOC has been prepared to enable officers and members to review the accommodation options in order to establish and agree the preferred way forward in terms of the Civic Estate from 2017 onwards.

- 1.4 Subject to approval of the SOC, an Outline Business Case (OBC) will be prepared with additional detail for consideration in June 2015.

### **1.5 Existing Portfolio**

- 1.5.1 The current Civic Portfolio comprises four buildings situated at Units 2 and 4 North London Business Park (NLBP), Barnet House and Hendon Town Hall.

- 1.6 The key factor which enables the council to restructure the Civic Estate is the ability to break the occupational lease in NLBP Unit 4 in October 2015. This will enable the council to take a two stage approach to revising the Civic Estate by consolidating into the existing buildings in the short term (e.g. 2015-2017).

- 1.7 Consequently the solution must work within the confines of the contractual leasehold interests whilst simultaneously achieving the required minimum savings over the identified term.

## **1.8 Recommendation**

- 1.8.1 The preferred way forward as identified under the five case business model is to build new bespoke office accommodation at the Grahame Park Site, Colindale. This option meets all of the core criteria by ensuring that the council's future accommodation needs and investment objectives are met through securing the target savings and regeneration objectives. The chosen solution is capable of being sourced and procured under the existing LBB / Capita contractual arrangements.

## **2. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

- 2.1 All of the considered options are set out within the attached SOC at Section 3: Economic Case.

## **3. POST DECISION IMPLEMENTATION**

- 3.1 If the recommendation is approved by the Committee, the next step will be to commence drafting the Outline Business Case.

## **4. IMPLICATIONS OF DECISION**

### **4.1 Corporate Priorities and Performance**

- 4.2 Within the contractual arrangements between LBB and Capita, target minimum savings are identified in terms of reducing the cost of civic accommodation

### **4.3 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)**

- 4.3.1 The basis of and approach to funding the proposed scheme at Colindale will be set out in detail in the Outline Business Case (OBC). Savings profiled in the current MTFS assume a cumulative reduction of £49.6m in the cost of office accommodation up to 2023/24. The preferred option in the SOC estimates a reduction of £49.2m over the same period. During the detailed OBC stage, the costs will need to be reviewed further to ensure the targets in the MTFS are fully met.
- 4.3.2 The costs in relation to the interim move/consolidation into NLBP 2 and Barnet House are currently estimated at £2,530,000. This will be funded from existing budgets.
- 4.3.3 Current projections indicate that there may be a requirement for an additional site of 20,000 sq ft. An estimate of this cost has been factored into the one-off

costs but will be set out in detail in the OBC.

#### **4.4 Legal and Constitutional References**

4.4.1 The Council Constitution under Responsibility for Functions sets out the terms of reference for the Assets, Regeneration and Growth Committee which includes:

- Develop strategies which maximise the financial opportunities of growth; and
- Asset Management – all matters relating to land and buildings owned, rented or proposed to be acquired or disposed of by the Council
- To approve any non-statutory plan or strategy within the remit of the Committee that is not reserved to Full Council or Policy and Resources.

#### **4.5 Risk Management**

4.5.1 There is a risk that, if these proposals are not taken forward in the light of the consultation to date, the target minimum financial savings will not be achieved.

#### **4.6 Equalities and Diversity**

4.6.1 Equality and diversity issues are a mandatory consideration in the decision-making of the Council. This requires elected Members to satisfy themselves that equality considerations are integrated into day to day business and that all proposals have properly taken into consideration what impact, if any, there is on any protected group and what mitigating factors can be put in place.

4.6.2 The policy proposals set out in the SOC are designed to ensure fair and equitable treatment of all Barnet's communities in relation to their access to THE Civic Estate.

### **5. BACKGROUND PAPERS**

5.1 None