

London Borough of Barnet

Accommodation Options Review

Outline Business Case (OBC)

June 2015

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## 1. Executive Summary

This document is the Outline Business Case for London Borough of Barnet's (LBB) accommodation review. It follows a Strategic Outline Case (SOC), which was approved at Assets, Regeneration and Growth (ARG) Committee in March 2015. The purpose of the document is to approve the preferred option for the scheme, and move to the next stage in the process i.e. full planning permission and procurement of a construction contractor.

LBB currently has an estimated office based staff requirement amounting to ~2,200 individuals, with the majority based at the North London Business Park (NLBP) in the east of the Borough. LBB's ambition is to move to a more 'agile working' organisation and it is committed to providing a more flexible working environment. The current office accommodation includes a significant amount of unused space and it is considered that alongside the introduction of flexible and agile working, LBB could occupy a much smaller footprint in the future. In addition, LBB has a medium term financial challenge of around £90m between 2015 and 2020, with around £40m of that being targeted through the existing estate. The Council also has a number of regeneration objectives, in particular within the Colindale area of the borough and as such, the Council has investigated the potential benefits of HQ relocation to this area.

This business case therefore appraises a number of options, as per the shortlisted options in the SOC:

- **'Do Nothing'** as a baseline – continuing with leases in both the NLBP sites and Barnet House;
- **'Do Minimum'** – exiting from NLBP Unit 4 and consolidating into NLBP Unit 2 and Barnet House; and
- **'Do Maximum'** – having consolidated as per the 'Do Minimum' option beforehand, develop new, specialist accommodation at Grahame Park in Colindale to move into in 2017.

Do Nothing represents the current status quo, and continues to lease office space at the current sites. This does not meet the medium term financial strategy and continues current under-utilisation of the existing estate. The Do Minimum option will increase utilisation in the existing estate, Smarter Working will be achieved and more services will be co-located, support integrated working. However the estate will remain situated over a number of sites and this option does not contribute at all to regeneration.

The Do Maximum option will increase utilisation further, and allow an end to all existing lease arrangements, consolidating all Council operations in one site. Smarter Working will be achieved and services will be collocated, support integrated working. Additionally, the scheme would support LBB's regeneration plans in Colindale, bringing council offices closer to the community as well as new jobs and support to local businesses. However, one-off costs are higher than for Do Minimum and the requirement to carry out two relocations between 15/16 and 17/18 will create more disruption. In turn, higher build costs and the multiple relocations make this a higher risk option.

The economic analysis in this business case (Economic Case) has shown that the Do Maximum option represents the greatest public value for money, with a Net Present Value (NPV) of £114.8m versus an NPV of £95.3m for Do Minimum. As such, and taking into account the qualitative analysis above,

the Do Maximum option remains the preferred option for LBB's accommodation review as per the recommendation at SOC stage.

It is currently assumed that Do Maximum option meets the Council's MTFS plans and would be funded through borrowing. As such it is deemed, on current plans, to be affordable to the Council.

The Programme will be governed in accordance with the Council's Project Management Toolkit methodology, and using the Capital Programme Gateway method at set gateways. Progress will be evaluated at key stages of the Programme, such as at the end of the procurement phase and at post-construction. This will include assurance from the Customer and Support Group subject matter experts, Re and Commissioning Group client teams. We will engage a third party to conduct reviews at set gateways for external challenge.

It is therefore recommended that the Council moves to full planning and procurement of a construction supplier for the Colindale scheme. It is also recommended that a Full Business Case is developed and brought to Assets, Regeneration and Growth Committee in December 2015.

## 2. Introduction

A Strategic Outline Case (SOC) was signed off at Assets, Regeneration and Growth (ARG) Committee in March 2015. It was also recommended that an Outline Business Case (OBC) be developed for consideration at ARG in June 2015.

This OBC 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 option;
- Commercial Case – indicating the commercial implications of the option;
- Financial Case – indicating how the preferred option could be funded; and
- Management Case – outlining the initial plans for delivery to manage the way forward.

### 3. Strategic Case

This section details the strategic context and case for change for London Borough of Barnet's accommodation options. It also sets out the risks, constraints and dependencies in which the business need will be taken forward alongside the investment objectives.

#### 3.1. Strategic Context

##### Organisational overview

The London Borough of Barnet (LBB) has an estimated office-based staff requirement amounting to ~2,200 individuals, with the majority based at the North London Business Park (NLBP) in the east of the Borough.

Capita was retained in 2013 as LBB's Strategic Partner providing a number of back office services including estates and accommodation strategy. Re (Regional Enterprise) Limited, or Re, is the Joint Venture between London Borough of Barnet and Capita plc. Re was formed under the 10-year contract between the Council and Capita to deliver development and regulatory services (DRS).

##### Strategic drivers<sup>1</sup>

The Council, like others nationally, has gone through major organisational change in recent years, and has implemented a 'Commissioning Council' approach. As a Commissioning Council, LBB sets the strategic priorities of the borough, in the context of the available resources, to agree a set of outcomes which reflect the needs of residents and which the full range of local partners work together to achieve. Services are then bought or 'commissioned' from a diverse mix of providers within the market (in-house and from the wider public sector, private and third sectors) to deliver these outcomes. The vision is that, by 2020, services will be commissioned jointly for the borough – by pooling resources and expertise from across the council, NHS, Jobcentre, police, education providers and other partners from the public, private and voluntary sectors - to create truly integrated services. For residents, this will mean more intuitive services and, for the Council and its partners, saving money and reducing bureaucracy.

Demand on local services is continuing to rise, driven by a growing population, particularly young and older residents. This is a particular issue for Barnet, which in 2015 will become London's most populous borough, with an estimated 393,000 residents. Also, expectations of the Council and local services are increasing, driven by advances in customer service across the private sector – including greater flexibility to transact online – people expect better services and more prompt responses from the Council. This will have implications for the Council's estate, and LBB is currently exploring how the estate can enable improved community cohesion and cross-public sector integration. It is also currently reviewing the way that it interacts with customers, through development of a Customer Access Strategy – this will be reported on more fully in the FBC, but is likely to have implications for greater direct customer access in the future LBB Office HQ.

In addition, LBB has made a commitment to regeneration of the borough, and in particular within the Colindale area. Specifically, the Colindale Area Action Plan (CAAP)<sup>2</sup> sets out the framework for

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<sup>1</sup> LBB Corporate Plan 2015 – 2020, April 2015

future development and change in the local area. The CAAP was prepared in partnership with key stakeholders and local communities in the area and represents the outcome of an intensive period of public consultation covering an area of approximately 200ha. It includes an additional 10,000 new homes and a mix of retail, office and other land uses. The vision is that by 2021, Colindale 'will be a vibrant, successful and diverse neighbourhood where people will want to live, work and visit. It will accommodate high quality sustainable developments within four 'Corridors of Change' and a new neighbourhood centre. Colindale will become a successful suburb in North London, providing existing and new communities with high quality local services, improved transport and access to enhanced green space and leisure facilities.'<sup>3</sup> Co-locating an office on the site would likely bring additional employment opportunities, improvements in local infrastructure and support local businesses.

LBB is committed to providing their staff and service users with office accommodation that provides a flexible working environment in line with modern working practices. In February 2014, LBB established a '*Smarter Working Group*' to assess accommodation needs in the future. An 'agile working' survey was undertaken in March 2014 to review the then existing occupational arrangements to inform the development of a future strategy based on 'agile working' principles. The Vision for Smarter Working was developed in December 2014 and set out the following aspirations:

- Accommodation that is the right size, in the right place and is flexible enough to respond to changing needs;
- An attractive place to work, with working culture and practices supporting the delivery of our vision for Barnet;
- Staff in the right locations and able to dedicate more time delivering frontline services face to face and to respond to changing needs and demands;
- Staff with access to the information they need to fulfil their role effectively via efficient information systems and devices that are secure when required;
- Effective partnership working, facilitated by systems and environments, increasingly including co-location, data sharing and collaboration.

Finally, the Council faces a budget gap of £90.8 million between 2015 and 2020, in addition to the £75 million budget gap the Council has already dealt with since 2010. It is expected that accommodation will contribute to these savings. LBB's medium term financial plan estimates accommodation savings of £40.3m, cumulatively over 2013-2023. These savings have been incorporated into budget baselines and Capita is working alongside the Council to achieve these savings, within their contractual obligations.

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<sup>2</sup> <https://www.barnet.gov.uk/citizen-home/planning-conservation-and-building-control/planning-policies-and-further-information/colindale-aap/colindale-area-action-plan.html>

<sup>3</sup> Colindale Area Action Plan, <https://www.barnet.gov.uk/citizen-home/planning-conservation-and-building-control/planning-policies-and-further-information/colindale-aap/colindale-area-action-plan.html>



### 3.2. Case for Change

#### Current arrangements

Barnet's principal office accommodation is across three buildings as follows:

- Unit 4 North London Business Park – 178,000 sq ft
- Unit 2 North London Business Park – 43,000 sq ft
- Barnet House – 80,000 sq ft

Total – 300,000 sq ft Net Internal Area<sup>4</sup>

The Council intends to retain Hendon Town Hall for Civic Meeting and Ceremonial space which has been excluded for the purposes of this accommodation review.

The current office accommodation includes a significant amount of unused space and it is considered that alongside the introduction of flexible and agile working, LBB could occupy a much smaller footprint in the future. It is currently envisaged that the revised estate footprint for the core civic accommodation is in the region of 120,000 sq ft from 2015 and from 2017 onwards 90,000 sq ft.

There is a break clause, in October 2015, for NLBP Unit 4, which LBB served notice to determine in late 2014. The lease on NLBP Unit 2 expires in July 2020 and the lease on Barnet House expires in September 2032.

#### Business needs

An Agile Working Survey in 2014 established working practices at LBB, and the extent to which teams might adapt to a future agile shared desk policy. All office-based staff members (989) were invited to participate in the survey, with a 41% completion rate. In addition to the survey, additional interviews were undertaken with service delivery team leaders and other staff members.

The outcome of the Agile Working Study was a recommended desk ratio for office based staff of 69%, equivalent to a ratio of '7:10'. This is based on average office occupancy for all work style types including a 'buffer' allowance to absorb variations in work patterns.

As a result, the Smarter Working Programme has approved an overall optimum office footprint of 90,000 sq ft (NIA), with appropriate parking and catering arrangements to be incorporated (additional to 90,000 sq ft).

Where possible, LBB has a strategic desire to regenerate the western side of the borough where a greater number of LBB service users are located. Within the CAAP area, a western Barnet location, there is a potential site – at Grahame Park – for a multi-storey scheme, incorporating offices, residential apartments, community use and public space.

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<sup>4</sup> Net internal area (NIA); for office space only. NIA is the usable area within a building measured to the face of the internal finish of perimeter or party walls ignoring skirting boards and taking each floor into account. Gross internal area (GIA) is the whole enclosed area of a building within the external walls taking each floor into account and excluding the thickness of the external walls.

### 3.3. Investment objectives

The core investment objectives for LBB accommodation are as follows:

- Deliver a minimum of £40.3m gross savings in the civic accommodation by September 2023 in accordance with the contractual obligations between LBB and Capita;
- Provide modern, flexible office accommodation of 90,000 sq ft;
- To use the Civic Estate as a regeneration tool;
- To maximise the occupational use of the Civic Estate through smart working;
- To focus the council's facilities in a location which is accessible to the majority of users.

### 3.4. Constraints

There are a number of constraints for LBB to consider in its approach to office accommodation:

- 2017 is the earliest date for delivery of 'new' office accommodation arising from major works, either from a refurbishment or new build;
- LBB offices need to remain within the Borough and be accessible to service users;
- Funding for any proposed changes would need to be within the parameters of the LBB Capital programme and existing resource budgets; and
- Any new office provision needs to remain attractive and convenient for staff, including access to public transport and appropriate parking provisions.

### 3.5. Dependencies

The project has the following dependencies:

- The accommodation requirement being signed off and agreed by the Smarter Working Group;
- The successful implementation of changed working practices to meet a 50-70% reduction in the Council's accommodation footprint (depending on the option);
- Negotiations with the owners of Barnet House and NLBP Unit 2 will be required for any changes to lease end dates;
- Negotiations with tenants will be required to define tenancy requirements;
- The availability of sites being considered under other options.

### 3.6. Risks

The Strategic Risks for LBB to manage and mitigate as it considers its accommodation options are:

- Potential cost and time overruns resulting in new accommodation not being available on time and budgetary pressures;
- New accommodation being less attractive to staff or impeding their working arrangements;
- Challenge in staff adapting new working practices including potential adverse reaction to a reduction in the parking provision and greater reliance on public transport;
- Resistance to cultural changes as the smart working initiative is instigated;
- Delays in the internal decision making processes results in the accommodation not being available for occupation by late 2017.

Detailed risk analysis, with mitigations is found in Section 8, Management Case.

### **3.7. Conclusion**

This section has out the strategic context and case for change for LBB's office accommodation and the investment objectives for different potential options.

In the following section, the Economic Case will set out and appraise the options for meeting these investment objectives.

## 4. Economic Case

The Strategic Case set out the rationale, context and constraints for office accommodation for The London Borough of Barnet. The Economic Case sets out the Critical Success Factors (CSF's) for the decision, appraising the short-listed options to indicate the preferred option.

### 4.1. Critical Success Factors

Based on the strategic drivers, business needs and constraints, the following Critical Success Factors (CSFs) have been established for LBB's approach to office accommodation:

- **CSF1:** Delivers required **efficiency** savings and affordable to implement
- **CSF2:** Alignment with Smarter Working Group approach to **desired working arrangements**
- **CSF3:** Alignment with the wider **strategic aims** of LBB
- **CSF4:** **Deliverability** within appropriate timescales and with minimal disruption to service delivery

### 4.2. Introduction to options

At the SOC stage, we reviewed a long list of options (see Appendix A: Long list of options) and developed a shortlist for appraisal. The shortlist developed at SOC stage is as follows:

- **'Do Nothing'** as a baseline – continuing with leases in both the NLBP sites and Barnet House;
- **'Do Minimum'** – exit from NLBP Unit 4 and consolidate into NLBP Unit 2 and Barnet House; and
- **'Do Maximum'** – having consolidated as per the 'Do Minimum' option beforehand, develop new, specialist accommodation at Grahame Park in Colindale to move into in 2017.

No further site options have arisen since sign off of the SOC and therefore the list above will be appraised in further detail at this OBC stage.

### 4.3. Do Nothing appraisal

Do Nothing involves maintaining the status quo, i.e. continuing with leases at both the NLBP sites (NLBP 2 and 4) and Barnet House. Under this option, there is no change to an 'agile working' organisation.

#### Qualitative appraisal

Do Nothing will have low implementation costs, but not achieve any of the benefits outlined as Critical Success Factors in terms of meeting the MTFs, implementing Smarter Working and supporting regeneration in the borough.

Critical Success Factor	Benefits	Risks	RAG Rating
<b>CSF1: Delivers required efficiency savings and affordable to implement</b>	<ul style="list-style-type: none"> <li>• No implementation costs, as there is no change</li> </ul>	<ul style="list-style-type: none"> <li>• Will not deliver any savings, leaving a significant budget gap</li> <li>• Will not be utilising the existing estate efficiently</li> <li>• Does not reduce current estates operating costs</li> </ul>	
<b>CSF2: Alignment with Smarter</b>		<ul style="list-style-type: none"> <li>• Does not meet the objectives of</li> </ul>	

Critical Success Factor	Benefits	Risks	RAG Rating
<b>Working Group approach to desired working arrangements</b>		Smarter Working <ul style="list-style-type: none"> <li>Remains partially within an inefficient estate (several sites)</li> <li>Maintains existing levels of underutilisation</li> </ul>	
<b>CSF3: Alignment with the wider strategic aims of LBB</b>		<ul style="list-style-type: none"> <li>Does not meet regeneration plans set out in the Colindale Area Action Plan</li> </ul>	
<b>CSF4: Deliverability within appropriate timescales and with minimal disruption to service delivery</b>	<ul style="list-style-type: none"> <li>Achieves minimal disruption to staff and service delivery</li> </ul>		

### Quantitative appraisal

The Do Nothing has a Net Present Value of -£187.5m, i.e. a net cost over the life of the investment. A detailed breakdown of the costs, income and assumptions made is at Appendix C: Detailed economic analysis.

### 4.4. Do Minimum appraisal

The Do Minimum option represents:

- Termination of the lease for NLBP Unit 4 in October 2015
- Consolidation of the HQ at NLBP Unit 2 and Barnet House in October 2015 (by leasing another floor of NLBP 2, Floor 2, currently occupied by Middlesex University)
- This represents a reduction in footprint of 50% versus the current arrangements

### Qualitative appraisal

The Do Minimum option provides savings towards the MTFs, has lower one-off costs than for Do Maximum, will increase utilisation and allow an end to part of the existing lease arrangements. Smarter Working will be achieved and more services will be collocated, supporting integrated working. However the estate will remain over a number of sites and this option does not contribute at all to regeneration. The accommodation move is imminent, and although robust plans are in place to mitigate against this, timescales are nonetheless tight and the move will create some disruption.

Critical Success Factor	Benefits	Risks	RAG Rating
<b>CSF1: Delivers required efficiency savings and affordable to implement</b>	<ul style="list-style-type: none"> <li>Delivers savings towards the MTFs</li> <li>One-off costs are lower than for the Do Maximum option</li> <li>Will deliver improved estate utilisation</li> <li>Allows LBB to end one current lease arrangements</li> </ul>		
<b>CSF2: Alignment with Smarter Working Group approach to desired working</b>	<ul style="list-style-type: none"> <li>Delivers the planned changes under Smarter Working</li> <li>More LBB services will be collocated, supporting more integrated working</li> </ul>	<ul style="list-style-type: none"> <li>Remains partially within an inefficient estate (several sites)</li> </ul>	

Critical Success Factor	Benefits	Risks	RAG Rating
arrangements			
<b>CSF3: Alignment with the wider strategic aims of LBB</b>		<ul style="list-style-type: none"> <li>Does not meet regeneration plans set out in the Colindale Area Action Plan</li> </ul>	
<b>CSF4: Deliverability within appropriate timescales and with minimal disruption to service delivery</b>	<ul style="list-style-type: none"> <li>Achievable within planned timescales, but requires very robust planning and delivery, given that October 2015 date is fast approaching</li> </ul>	<ul style="list-style-type: none"> <li>Requires an accommodation move in 2015, causing more disruption than a Do Nothing option</li> </ul>	

### Quantitative appraisal

The Do Minimum option has a Net Present Value of £95.3m over the life of the investment. A detailed breakdown of the costs, income and assumptions made is at Appendix C: Detailed economic analysis.

### 4.5. Do Maximum appraisal

The Do Maximum option represents:

- Delivery of Do Minimum successfully from 2015 until 2017
- Relocation of the HQ to a new site, Grahame Park in Colindale, in October 2017
- This represents a reduction in footprint of 70% versus the current arrangements

Figure 1: Artist impression of the proposed HQ at Grahame Park



### Qualitative appraisal

The Do Maximum option provides savings towards the MTFS, will increase utilisation and allow an end to all existing lease arrangements, consolidating all Council operations in one site. Smarter Working will be achieved and services will be collocated, support integrated working. Additionally, the scheme would support LBB's regeneration plans in Colindale, bringing further additional benefits

to the area, in terms of jobs and infrastructure. Differing from other options, this site would be at the heart of a new community in Barnet. However, one-off costs are higher than for Do Minimum and the requirement to carry out two relocations between 15/16 and 17/18 will create more disruption than the Do Minimum option alone. In turn, higher build costs and the multiple relocations make this a higher risk option.

Critical Success Factor	Benefits	Risks	RAG Rating
<b>CSF1: Delivers required efficiency savings and affordable to implement</b>	<ul style="list-style-type: none"> <li>Delivers savings towards the MTFS</li> <li>Will deliver improved estate utilisation</li> <li>Allows LBB to end all lease arrangements</li> </ul>	<ul style="list-style-type: none"> <li>One-off costs are higher than for the other options</li> </ul>	
<b>CSF2: Alignment with Smarter Working Group approach to desired working arrangements</b>	<ul style="list-style-type: none"> <li>Delivers the planned changes under Smarter Working</li> <li>All LBB services will be collocated, supporting more integrated working, and a more efficient estate</li> </ul>		
<b>CSF3: Alignment with the wider strategic aims of LBB</b>	<ul style="list-style-type: none"> <li>Meets regeneration plans set out in the Colindale Area Action Plan</li> </ul>		
<b>CSF4: Deliverability within appropriate timescales and with minimal disruption to service delivery</b>	<ul style="list-style-type: none"> <li>Achievable within planned timescales</li> </ul>	<ul style="list-style-type: none"> <li>However, requires very robust planning and delivery given that October 2015 date is fast approaching</li> <li>Requires a first accommodation move in 2015 and a second move, in 2017, creating more disruption to staff, partners and customers than in other options</li> <li>A higher risk option in terms of complexity of delivery</li> </ul>	

#### Quantitative appraisal

The Do Maximum option has a Net Present Value of £114.8m over the life of the investment. A detailed breakdown of the costs, income and assumptions made is at Appendix C: Detailed economic analysis.

#### 4.6. Conclusion

The analysis in this business case shows that the Do Maximum represents the greatest public value for money (see table below). Although it is a higher risk option than the other two, and there will be more disruption than other options, it is the only option that meets all of LBB's strategic objectives. The figures below show the Net Present Value of each option (discounted at 3.5%).

**Table 1: Economic analysis for all options**

£ million	Do Nothing	Do Min	Do Max
<b>One-off costs</b>	-	-	9.1
Estates running costs (net of rental income)	-	325.4	136.8
Savings assumed - baseline	-	325.4	325.4

£ million	Do Nothing		Do Min	Do Max
Net (cost) / saving of running costs against baseline	-	325.4	179.5	224.6
Net discounted (cost) / saving of running costs against baseline	-	<b>187.5</b>	<b>95.3</b>	<b>114.8</b>



## 5. Commercial Case

The Economic Case sets out the preferred option for Barnet's office accommodation from October 2015. This Commercial Case indicates how this could be 'sourced', including the high level commercial and negotiation approach.

### 5.1. Existing arrangements

The Do Maximum option assumes breaking the following leases:

- Breaking the lease at NLBP 4 in October 2015
- Breaking the lease at NLBP 2 in October 2017
- Breaking the lease at Barnet House or sub-letting from October 2017

Note that estimates for costs of exit from NLBP 4 and NLBP 2 have been made in this business case, but no estimates for exit from Barnet House have been made. This will be explored further prior to FBC stage.

### 5.2. Required services

As described within the Economic Case, the preferred option centres on consolidation of the existing estate in 2015, and constructing a new purpose built building for LBB's HQ in 2017.

#### Refurbishment of NLBP 2 and Barnet House

The Policy & Resources Committee agreed on the 13th January 2015, under Item 10 of the Forward Plan procurement activity<sup>5</sup>, the proposal for building works in connection with the Accommodation Implementation Programme, which includes design and build (refurbishment) services for NLBP 2 and Barnet House.

#### Design and build of the new HQ

LBB is able to utilise its existing contractual arrangements with Capita to facilitate a redevelopment at Colindale through a Design and Build Contract. Additional services will be required comprising three principle areas as follows:

- Full development support services, delivered by Re as set out below
- Development contractor: to be appointed by Re
- Provision of funding: LBB

#### Building services and facilities management

Under the Customer and Support Group (CSG) Contract, Capita is contracted to deliver building services and facilities management. To ensure alignment within the wider Capita / LBB contracts, Re is currently responsible for delivery of those services. Detailed breakdown of these services is at Appendix D: Building services and facilities management.

#### Future lease arrangements

LBB will hold the freehold for the building and is expected to sub-lease to a number of tenants in the building, which are likely to be third sector and other public sector partners. This business case

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<sup>5</sup> <http://barnet.moderngov.co.uk/documents/s20197/Appendix%201.pdf>

assumes that existing tenants, Barnet Clinical Commissioning Group, Barnet Homes and Re continue to occupy space. Full details of tenancy arrangements will be detailed in the FBC.

### 5.3. Developer sourcing approach

#### Refurbishment of NLBP 2 and Barnet House

Under a Delegated Powers report in March 2015, LBB agreed to appoint Shaylor Group for the design and building works at guaranteed maximum price (GMP). The contractor was appointed using the LHC (London Housing Consortium) Framework and the contract for the design and build will be carried out using the NEC Form of Contract.

#### Design and build of the new HQ

The physical development will be undertaken through a JCT (Joint Contracts Tribunal) Design and Build contract project managed by Re on behalf of the Council. The appointment of the contractor will be managed by Re, in association with the LBB procurement team and in line with EU public procurement regulations and The Public Contracts Regulations 2015. It is currently envisaged that the contractor would be appointed through the Southern Construction Framework.

Re will provide the following development support services for the programme, under existing contractual arrangements:

- Preparation of the outline design (see Appendix E: Re design brief);
- Submission of a full planning application;
- Cost consultancy;
- Project management;
- Development management.

### 5.4. Note on the Principal Development Agreement to Genesis Housing Association<sup>6</sup>

In January 2001 the Council embarked upon a scheme for the regeneration of the Grahame Park estate which aimed to transform it into a thriving, mixed tenure community with improved transport links and enhanced community facilities. In 2007 the Council entered into a Principal Development Agreement (PDA) with Choices for Grahame Park (CFGP) a special delivery vehicle created by Genesis Housing Association (GHA).

The Grahame Park Regeneration Programme is divided into two distinct stages; A and B. Stage A is currently underway and Stage B is currently subject to review. Plot 8 on Stage A (Formerly A1) was scheduled in the original master plan to deliver around 90 private units with community uses on the ground and first floors. However the Authority is considering the site for new office accommodation and formal negotiations need to take place with GHA about potentially ‘carving out’ this site from the PDA.

Assets, Regeneration and Growth Committee authorised the Chief Executive in September 2014 to negotiate with GHA to deliver a ‘carve out’ from the PDA of land to facilitate the development of office facilities. Negotiations with GHA are currently taking place to agree a variation to the PDA and

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<sup>6</sup> Grahame Park Regeneration Update, Assets, Regeneration and Growth Committee, September 2014

agree the level of compensation payable to GHA to offset the loss of profit from sales of private housing planned for the site. An estimate of these costs has been included in this business case and full details of the contract variation will be included at Full Business Case (FBC).

## **5.5. Procurement approach and implementation timescales**

### **Proposed contractual arrangements**

The contract is expected to be a standard a Design and Build agreement through the Southern Construction Framework.

### **Commercial implications**

Through utilising the existing Capita / LBB contract alongside the Council's internal procurement team, we believe that the commercial risks can be minimised and Capita's extensive experience in development management will ensure that the commercial negotiations will be conducted to the maximum possible benefit of the council.

### **Planning permission**

Pre-application meetings have taken place between Re and the Local Planning Authority who are positively engaging in the scheme. Consultation with members, residents and stakeholders is due to take place after the Election.

## **5.6. Personnel implications**

The Re joint venture is for a term of ten years which will ensure continuity of approach and personnel throughout the development period enabling the scheme to be completed in a timely manner for occupation by 2017. There are no TUPE requirements in relation to this project.

## **5.7. Conclusion and next steps**

This Commercial Case has indicated the sourcing approach that Barnet proposes to deliver for the preferred option. Next steps are for Re to procure and appoint a Design and Build Contractor, to submit a full planning application and for Technical Design (Stage 4) to be developed.

## 6. Financial Case

The Economic Case indicated the preferred option for LBB's office accommodation. This Financial Case indicates the budgetary, financial and affordability considerations of this approach.

### 6.1. Funding requirements

The preferred option emerging from the Economic Case requires estimated one-off implementation costs of development of £17.1m and recurrent costs of £39.7m; (this includes borrowing for capital build costs and repayment of a loan to the value of £13.5m) from September 2013 to August 2023 (the duration of the Re and CSG contracts). This will be included within LBB's capital programme and it is assumed will be funded from Public Works Loan Board borrowing. This business case assumes a 30 year loan to be repaid upon maturity, with an interest rate of 3.34%. The Council's 'Minimum Revenue Provision'<sup>7</sup> has been calculated, in line with the council's policy, over the life of the asset (50 years).

**Table 2: Funding requirements**

Financial implications £ million	2013/14 – 2022/23 <sup>8</sup>	Notes
One-off costs	17.1	Project costs, service charges associated with ending leases, transition costs, equipment costs and cost of risk (see Appendix C: Detailed economic analysis for full detail)
Estates running costs (net of rental income and including capital borrowing)	39.7	Capital build and borrowing costs, facilities management, rent and rates (see Appendix C: Detailed economic analysis for full detail)
<b>Total costs</b>	<b>56.8</b>	

Costs exclude VAT, as LBB recovers VAT. Costs include inflation<sup>9</sup> which is excluded from the Economic Case (with the exception of inflation as part of rental agreements). Note that the costs above are not discounted, versus the Economic Case where figures are discounted at 3.5%, as per HM Treasury guidance.

### 6.2. Note on capital and one-off costs

The cost estimates in this appraisal are as provided by Re for the new build construction, to Stage 3<sup>10</sup> design, and implementation. These include contingency of 5% and in addition optimism bias has been added at 20% to the implementation costs as a cost of risk.

Where costs are not known, best estimates have been provided at this stage. Further work will be required to define the following costs and these will be updated at FBC:

- Detailed technical design, with feedback from Planning

<sup>7</sup> Statute requires the authority to set money aside each year for the repayment of loans originally taken out to finance capital expenditure. This is called the minimum revenue provision (MRP). Under capital accounting arrangements, the council's services are charged depreciation to reflect the consumption of capital assets used. The depreciation charge is treated as the council's revenue provision and any variation from the statutory minimum is transferred between the capital adjustment account and the income and expenditure account.

<sup>8</sup> September 2013 to August 2022, as per the Capita contract

<sup>9</sup> Inflated in line with RICS PUBSEC Tender Price Index of Public Sector Building Non-Housing #903 Updated 16 Sept 2014

<sup>10</sup> RIBA Plan of Work 2013 (<http://www.ribaplanofwork.com/About/Concept.aspx>)

- Income from tenants; although this won't be negotiated before FBC, it is recommended that initial discussions take place with current tenants
- Lifecycle costs for the new building
- Project and implementation costs, once a detailed Smarter and Agile Working plan has been developed
- Land compensation, once negotiations are complete

### 6.3. Cost control in construction<sup>11</sup>

Re has prepared a Stage 3 cost plan which includes all construction costs, all other items of project cost including professional fees and contingency. The objective of cost control is to manage the delivery of the project within the approved budget. Regular cost reporting will facilitate, at all times, the best possible estimate of established project cost to date, anticipated final cost of the project and future cash flow. Re will be reporting on costs in accordance with the management approach detailed in Section 8 of this business case.

As the scheme progress through the design phases, the following actions will be taken:

- Establishing that all decisions taken during design and construction are based on a forecast of the cost implications of the alternatives being considered, and that no decisions are taken whose cost implications would cause the total budget to be exceeded.
- Regularly updating and reissuing the cost plan and variation orders causing any alterations to the brief.
- Adjusting the cash flow plan to reflect alterations in the target cost.
- Developing the cost plan in liaison with the project team as design and construction progress.
- Reviewing contingency and risk allowances at intervals and reporting the assessments is an essential part of risk management procedures. Developing the cost plan should not involve increasing the total cost.
- Checking that the agreed change management process is strictly followed at all stages of the project.
- Submitting regular, up-to-date and accurate cost reports to keep the client well informed of the current budgetary and cost situation.
- Ensuring that the project costs are always reported back against the original approved budget. Any subsequent variations to the budget must be clearly indicated in the cost reports.
- Plotting actual expenditure against predicted to give an indication of the project's progress.

### 6.4. Projected income and expenditure account implications

Capital build costs (total of £36.3m, over 50 years) will be funded through borrowing. Further one-off costs (£17.1m) will be funded through reserves, and revenue requirements will be contained within existing budgets.

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<sup>11</sup> <http://www.designingbuildings.co.uk>

## 6.5. Projected balance sheet

The preferred option will include an additional freehold asset on the LBB balance sheet. In accordance with existing accounting policies, it is intended that this building asset will be depreciated over 50 years, and the MRP will be calculated based on these timescales. It is feasible that the asset will be revalued over its life, and could have a material residual value for LBB. The MRP is therefore being calculated on a highly prudent basis.

In so far as new borrowing is required to fund the capital costs of the asset, this will increase the liability on the balance sheet.

## 6.6. Affordability considerations

LBB has a Medium Term Financial Strategy (MTFS) requirement to save £40.3m cumulatively over the period including 2023/24. In addition to this, the Priorities and Spending Review (PSR) exercise identified a further £4.8m cumulatively to be saved over the same period. The scheme, under current plans meets the MTFS target.

**Table 3: Do Maximum savings comparison to MTFS target (£m)**

Financial implications to 2023/24	Baseline	Do Maximum
One-off costs	-	17.1
Recurrent net costs	85.8	39.7
<b>Net recurrent saving versus the baseline</b>		<b>46.1</b>
<b>MTFS target</b>		40.3
<b>PSR target</b>		4.8
<i>Difference to MTFS and PSR target</i>		<i>(1.0)</i>

The figures above are without any discounting applied, and include Minimum Revenue Provision (MRP) considerations.

## 6.7. Conclusion

This section has outlined the funding requirements and demonstrated that the scheme meets the Council's MTFS savings targeted at the accommodation review.

## 8. Management Case

The Economic, Commercial and Financial Cases have indicated the preferred option for Barnet's office accommodation approach. This Management Case provides the outline plans for programme management, governance, risk management and benefits realisation that will be required to ensure successful delivery.

### 8.1. Smarter Working programme structure

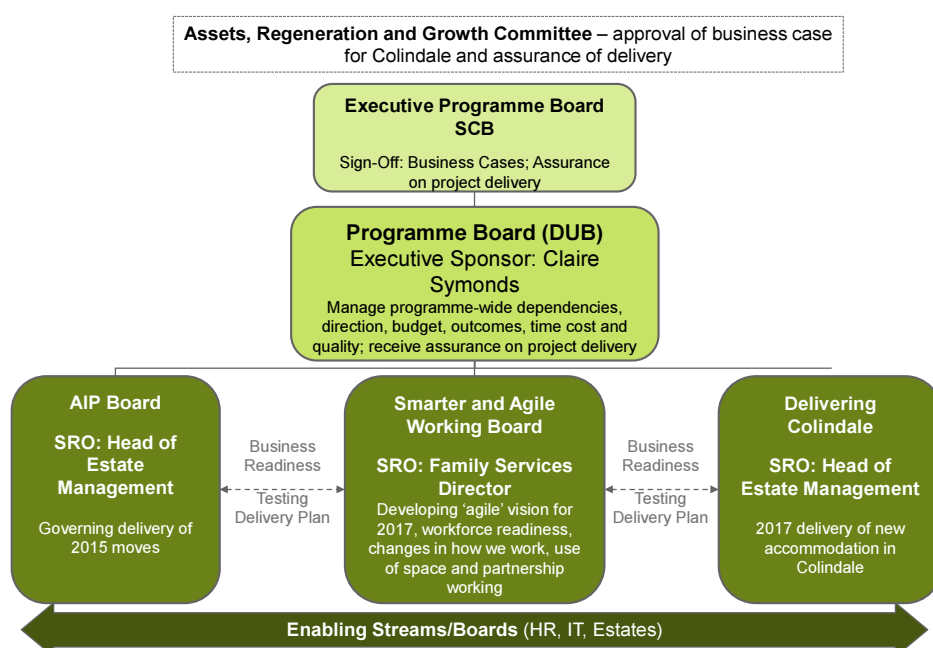
Barnet's HQ accommodation strategy is being implemented through a 'Smarter Working' programme, with three constituent sub-programmes:

- **Smarter and Agile Working** is responsible for focussing on how the organisation will change and adapt, opting new working practices and using new flexible tools and approaches to best meet customer needs, aligned with a new office base in 2017;
- **Accommodation Implementation** is responsible for the short term exit from NLBP 4 and relocation to NLBP 2 and Barnet House (delivery of the Do Minimum option in this business case);
- **Delivering Colindale** is responsible for the delivery of the move to new office accommodation in 2017 (the Do Maximum option in this business case).

It is vital that these planned changes are governed as a single, connected programme given the significant dependencies between different sub-programmes. There is a need to ensure successful delivery of change in 2015, develop new working styles and practices for 2017 and create a new office space which enables the organisation to meet the needs of customers most effectively and efficiently.

This programme structure is shown in the diagram below.

Figure 2: Smarter Working Programme



This incorporates the following key activities:

1. Accommodation Implementation Programme
  - Fit-out and refurbishment at Barnet House and NLBP 2;
  - Office furniture (for NLBP2 and 4) purchase and fitting;
  - IT infrastructure purchase and fitting;
  - Physical move to NLBP Unit 2 and Barnet House in October 2015 (including the NLBP4 server room migration).
2. Smarter and Agile Working
  - Developing operating model for service in 2017;
  - Development and preparation of new working practices;
  - IT hardware required to move to a more 'agile' IT strategy, training and support (already part of a planned CSG IT refresh programme);
  - Organisational development to design new ways of working and business readiness;
  - Workforce engagement and change management to implement new ways of working.
3. Delivering Colindale
  - Design and build of the new site;
  - IT infrastructure fitting;
  - Office furniture and fixtures fitting;
  - Physical move.

#### Overarching governance arrangements

Currently the Accommodation Implementation and Colindale sub-programmes are managed as separate work areas, with the Smarter and Agile Working sub-programme being reshaped and reconstituted.

Overall governance across the whole Smarter Working programme is through Delivery Unit Board, which meets monthly. The Sponsor is the Director of Commercial and Customer Services. The Delivery Unit Board reports monthly to Strategic Commissioning Board each month.

In addition to Programme boards, the Council has internal resource-enabling boards – the Assets and Capital Board and Workforce Board – and client teams, led by the Head of Estates Management to review costs, scope of activity and assurance of estates delivery plans. Further subject matter expertise and assurance on IS, HR, programme management and change management is provided by the Council's client team within Commissioning Group.

This programme will be delivered in accordance with the Council's established project management toolkit and compliance with the Council's agreed gateway review methodology and we will put in place a comprehensive plan of programme assurance, including:

- Technical and subject management expertise to be provided by technical experts within CSG, Re, contracted suppliers and the Council;



- Expertise supplied through well-resourced and skilled programme teams, strong governance with clear Terms of Reference, controls and board representation;
- Programme and project level assurance from the Council's Corporate Programmes function (provided by CSG) and reviewed by the Council's programme, finance, IS, commercial, HR, and estates client team;
- External review and assurance via commissioned internal audit activity and external gateway reviews;
- Quarterly programme performance reporting included in reports to Performance and Contract Monitoring Committee.

## 8.2. AIP programme structure

AIP is governed by a Programme Board, which meets weekly currently, and is accountable to Delivery Unit Board.

Figure 3: AIP programme structure

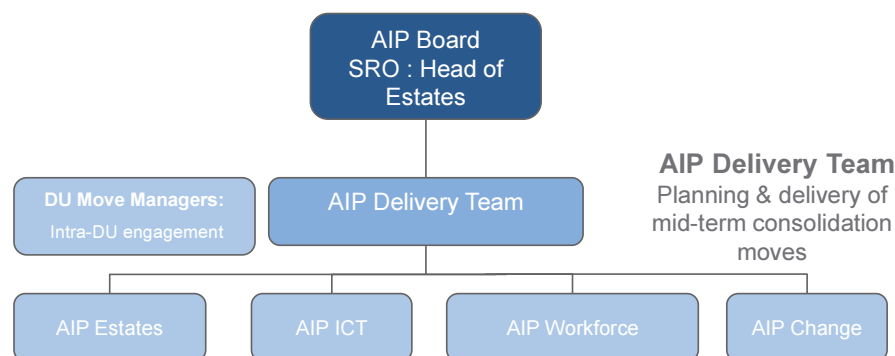


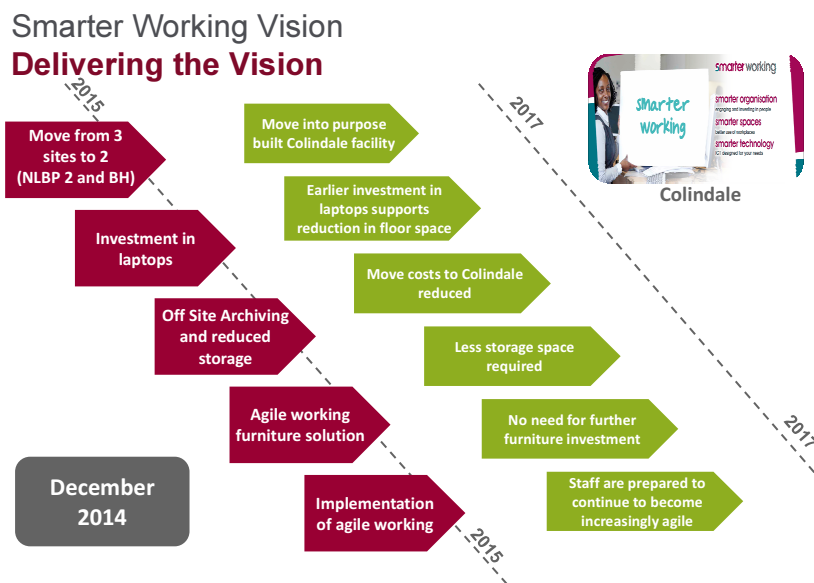
Table 4: AIP Roles and responsibilities

Role	Role description (responsibilities and accountability)
<b>Senior Responsible Owner</b>	<ul style="list-style-type: none"> <li>Accountable for successful delivery of the programme.</li> </ul>
<b>Programme Manager</b>	<ul style="list-style-type: none"> <li>Responsible for delivering the programme to time and to budget.</li> </ul>
<b>Estates Lead</b>	<ul style="list-style-type: none"> <li>Responsible for the design and construction of the scheme.</li> </ul>
<b>Workforce Lead</b>	<ul style="list-style-type: none"> <li>Responsible for managing the workforce elements of the change,</li> </ul>
<b>Business Change Lead</b>	<ul style="list-style-type: none"> <li>Responsible for training, communication and change management for the change.</li> </ul>

## 8.3. Smarter and Agile Working Programme

A Smarter and Agile Working Programme was put in place in 2014/15, with strong representation from Council services (Delivery Units). This ensures that there is a clear and achievable vision for how the organisation can adapt and change to become more flexible, responsive and agile in 2017.

Figure 4: Smarter and Agile Working Programme Vision



Having developed a high level vision and target operating model, the Programme will be reconstituted and re-launched in June 2015 to focus on development of new working practices, implementation of more flexible use of IT hardware required to move to a more 'agile' IT strategy, training and support (already part of a planned CSG IT refresh programme) to prepare the business for change and implement new ways of working. It should be noted that any future Smarter and Agile Working business case for investment in IT and new working practices will have a dependency on this business case, which will be explored further in due course.

A high level structure is shown below, which will be reported on more fully in the Full Business Case.

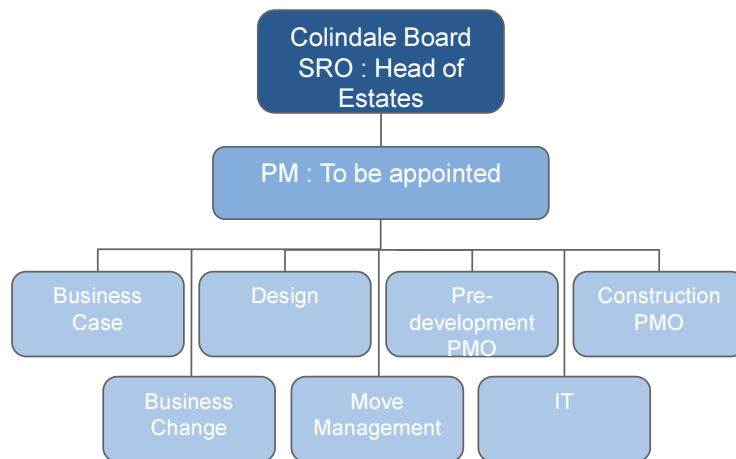
Figure 5: Smarter and Agile Working Programme



#### 8.4. Colindale Programme

A Colindale Programme Board was set up after approval of the Strategic Outline Case, and a proposal for programme resource is currently being developed. Executive decision-making on the business case and development of a new office site for the Colindale Programme resides with the Assets, Regeneration and Growth Committee, which sets the direction, funding and deliverables for the new office accommodation.

Figure 6: Draft Colindale programme structure



The following key roles are expected to be developed during mobilisation:

Table 5: Draft roles and responsibilities

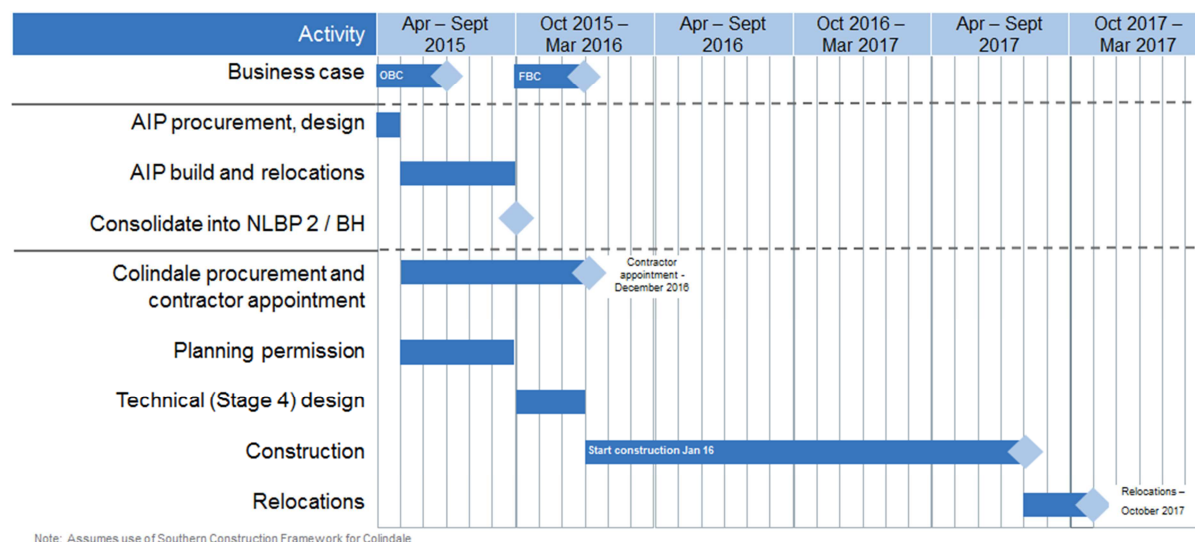
Role	Role description (responsibilities and accountability)
<b>Senior Responsible Owner</b>	<ul style="list-style-type: none"> <li>Accountable for successful delivery of the programme.</li> </ul>
<b>Programme Manager</b>	<ul style="list-style-type: none"> <li>Responsible for delivering the programme to time and to budget.</li> </ul>
<b>Design Lead</b>	<ul style="list-style-type: none"> <li>Responsible for the design and successful planning application of the scheme.</li> </ul>
<b>PMO</b>	<ul style="list-style-type: none"> <li>Programme management function to manage the pre-implementation phase i.e. planning, business case and procurement and construction phase through to relocations. Likely to include projects for move management and construction management.</li> </ul>
<b>IT Lead</b>	<ul style="list-style-type: none"> <li>Responsible for IT inputs, infrastructure purchase and fitting.</li> </ul>
<b>Business Change and Communications Lead</b>	<ul style="list-style-type: none"> <li>Responsible for training, communication and change management for the change.</li> </ul>

#### 8.5. Programme plan

The plan below shows the high level estates programme plan to deliver the preferred option (including delivery of the Accommodation Implementation (AIP) and the Colindale move). AIP has detailed programme arrangements in place to ensure that the decant of NLBP 4 takes place by October 2015 (see detailed programme plan at Appendix F: AIP programme plan). The Colindale plan is currently based on the assumption that the contractor will be procured through the Southern Construction Framework (see detailed plan at Appendix G: Colindale programme plan). A more detailed plan will be developed when a build contractor is in place.

A Smarter and Agile Working Programme plan is in development and will be reported on in the FBC.

Figure 7: AIP and Colindale programme plans



## 8.6. Risks and issues

Risks and issues will be monitored and reported on weekly at AIP Programme Board and monthly at Colindale Programme Board. In due course, Smarter and Agile Working risks will also be reported on at the appropriate board. The following risks have been developed by the AIP Programme Board and through this business case process (by Delivery Units and members of the Colindale Programme team). The table below reflects the risks with the greatest priority, at a total programme level. Risks will be updated at each stage in the process and are detailed in full at Appendix H: High level AIP and Colindale risk log.

Table 6: Top rated programme level risks

The following risks have been developed by the AIP Programme Board and through this business case process (by Delivery Units and members of the Colindale Programme team). The table below reflects the risks with the greatest priority, at a total programme level.

Programme	Nature of risk	Cause and consequence	Rating	Mitigation
AIP / Colindale	Decant risk	Successfully completion of exit and relevant contractual clauses with landlord for NLBP4 and NLBP2. Potential impact on savings.	16	Complete detailed exit and decant plan, with contingency in place, and QA plan. Ensure that skilled legal and technical advisors are in place.
AIP / Colindale	Design risk	Car parking is not sufficient and staff not ready for alternative transport arrangements. Potential impact on recruitment / retention or organisational efficiency.	20	Establish number of car parking spaces available at NLBP4 and BH. Develop strategy to allocate car parking, travel strategy and a travel plan for Colindale. Develop change management approach to prepare for new working practices. Develop longer-term workforce strategy – recruit, retain and talent development.
AIP / Colindale	Financial	Construction overruns or inadequate cost control. Potential impact on savings and cost model.	20	Re is experienced in managing major construction schemes. Ensure that there is a detailed cost control plan and approach in place; programme gateway method used; skilled and special resourcing required is in place and specification management is used to control scope.

Programme	Nature of risk	Cause and consequence	Rating	Mitigation
<b>AIP / Colindale</b>	Design risk / business risk	Potential for wider disruption to business. Use of IT or physical infrastructure may not be operational, impacting on service delivery.	16	Business disruption plans to be updated during the moves.
<b>Smarter Working</b>	Business risk	Agile working practices are not achieved and staff numbers requiring office space are higher than planned, potential impacting on cost or efficiency.	15	The Smarter and Agile Working Board will develop detailed plans for the workforce and IT arrangements to support the physical estates move. This will be implemented using a robust change management approach and will be reported on further in the FBC.
<b>Colindale</b>	Design risk	Design does not meet the user requirements and results in changes to specification or scope, with potential cost impact.	16	Re is experienced in managing major construction schemes. This will be managed through the Colindale Programme Board during the design and pre-construction phase. A change workstream also needs to be developed. Plans are also to be developed for kitchen / café services for Education and Skills and training.

## 8.7. Benefits realisation approach

The key benefits from this business case are as follows:

- Deliver a minimum of £40.3m gross savings in the civic accommodation by September 2023 in accordance with the contractual obligations between LBB and Capita;
- Provide modern, flexible office accommodation of 90,000 sq ft;
- To use the Civic Estate as a regeneration tool;
- To maximise the occupational use of the Civic Estate through smart working;
- To focus the council's facilities in a location which is accessible to the majority of users.

The following owners are responsible for ensuring that the proposed target savings are realised alongside the project management and development teams who will monitor both savings / costs and development progress and have primary responsibility for preparing monthly reports.

An example high level benefits register is shown below. Benefits relating to each programme will be reported to the relevant Programme Board on a regular basis. In order to ensure that the target saving of £40.3m is achieved over the period 2013-2023, a benefits register will be reviewed monthly and the results reported to the Assets and Capital Board throughout the development period. An example template is shown at Appendix I: Benefits realisation templates.

**Table 7: Draft benefits register**

Benefit	Owner	Key performance indicator	Measurement	Dependencies	Key Risk
<b>Deliver a minimum of £40.3m gross savings in the civic accommodation by September 2023</b>	Re – Director of Place	To be defined	To be defined	Implementation of Smarter and Agile Working	That savings are not met, impacting on the MTFS / other corporate programmes.
<b>Provide modern, flexible office accommodation of 90,000 sq ft</b>	Re – Colindale Programme SRO	To be defined	To be defined	Implementation of 'Smarter Working'	That the site does not meet the space requirement.
<b>Bring regeneration to the Colindale area as per the</b>	LBB Enterprise and	To be defined	To be defined	Choices for Grahame Park	That office co-location on the site does not meet the

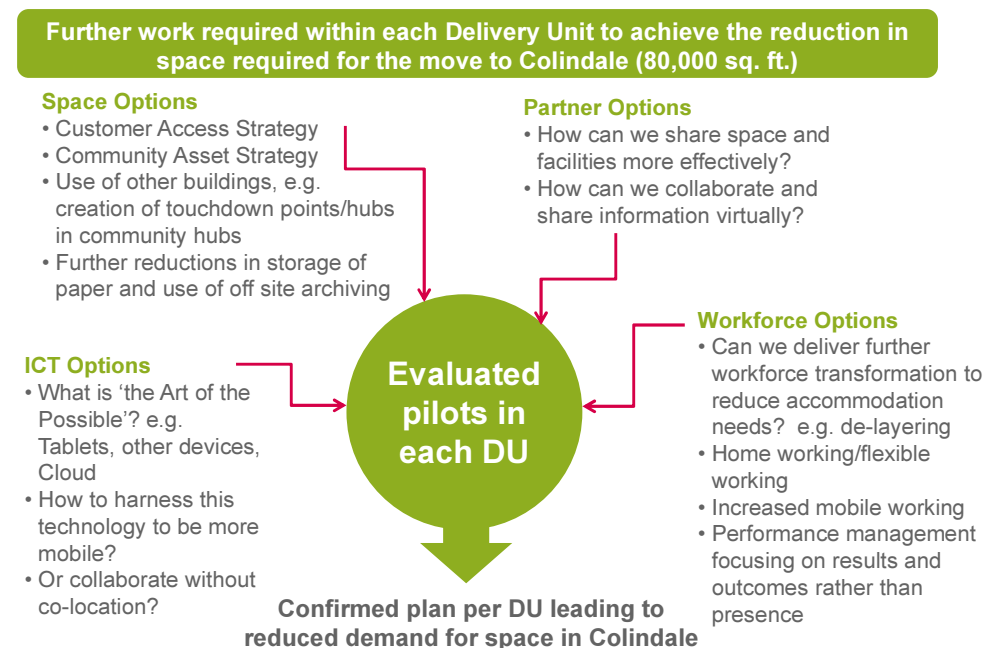
Benefit	Owner	Key performance indicator	Measurement	Dependencies	Key Risk
<b>CAAP</b>	Regeneration Lead Commissioner				regeneration benefits anticipated.
<b>Maximise the occupational use of the Civic Estate through agile working</b>	Smarter and Agile Working Programme SRO	To be defined	To be defined	IT refresh programme	That the office move takes place before the appropriate working arrangements and new behaviours are in place.
<b>Focus LBB's facilities in a location which is accessible to the majority of users</b>	Re – Colindale Programme SRO	To be defined	To be defined	Choices for Grahame Park	That the site is longer available, or does not meet LBB requirements.

### 8.8. Change management and communications approach

Reducing the estate footprint by ~70% will require a major shift in staff behaviour, supported by new workforce arrangements and supporting IT. A plan for engagement with Delivery Units to define the change is underway. Figure 8: Work required with each Delivery Unit below sets out the content of discussions that will need to take place.

Communications to staff and other tenants has begun and a phased communications and engagement plan is in development.

Figure 8: Work required with each Delivery Unit



### 8.9. Post project evaluation approach

The Programme will be governed in accordance with Council's Project Management Toolkit methodology, and using the Capital Programme Gateway method.

Progress will be evaluated at key stages e.g. at the end of the procurement phase and at post-construction. This will include assurance from the Customer and Support Group subject matter

experts and Commissioning Group client teams. We will engage a third party to conduct reviews at set gateways for external challenge. Areas for review include:

- The effectiveness of the project management of the scheme – viewed internally and externally (i.e. was it managed to budget and time);
- The effectiveness of the development partner’s project management of the scheme –viewed internally and externally;
- Communications and involvement during construction;
- The effectiveness of the joint working arrangements across project teams;
- Effective resource management and supplier management;
- The support provided during this stage from other stakeholder organisations.

It is expected that the evaluation would take place through internal review at key project gateways and report to the Programme Board. We will put in place a detailed assurance plan and we will engage expertise and third party assurance through Local Partnerships to give external review.

The Council already has an established model for ensuring projects are developed and delivered in an effective way, with business cases and recommendations presented to Committees at set points. We will continue to review and challenge the delivery of all projects using a risk-based approach. Larger, more complex or more innovative projects will be subject to internal audit and, where required, external gateway reviews to review overall delivery, benefits, business readiness and other criteria relating to the successful delivery of the benefits desired.

**Figure 9: LBB’s approvals process**



## 8.10. Conclusion

This Management Case has proposed the implementation, governance and risk management arrangements that will be in place to enable successful delivery of the preferred way for Barnet’s office accommodation. The AIP Programme is already mobilised; further work is currently in train to develop robust arrangements for the Colindale move and the associated transformation required for the change through Smarter and Agile Working.

## 9. Appendix A: Long list of options

In accordance with HM Treasury Business Case best practice, at the Strategic Outline Case (SOC) stage, the long list included a wide range of potential options, including those which could be discounted through the appraisal process by considering them against the CSFs listed in Section 4.1. It is therefore an appraisal of the ways in which LBB ‘could’ have approached the office accommodation challenge rather than how they ‘would’. At the conclusion of the long list appraisal, the emerging short list represented the most realistic potential options worthy of full consideration.

The ‘long-list’ of potential options for Barnet’s office accommodation, considered at the SOC stage is:

1. **Do Nothing:**  
The status quo option. No change and LBB continue in occupation of both Units 2 and 4 North London Business Park and Barnet House. Break clause is not operated.
2. **Consolidate into Barnet House and NLBP Unit 2:**  
Trigger the break clause on Unit 4 North London Business Park to determine occupation from October 2014 and consolidate into Barnet House and Unit 2, NLBP.
3. **Alternative rental accommodation:**  
This option provides a number of alternative approaches including either relocating back office staff to a cost effective out of borough location or severing all existing leases and identifying an alternative site.
4. **Consolidate with another local authority / public body:**  
Consider amalgamating with another public body along the lines of the ‘Tri-Borough’ arrangement which Westminster Council, the Royal Borough of Kensington and Chelsea and the London Borough of Hammersmith and Fulham have entered into.
5. **Retain Barnet House and build another:**  
This option assumes that LBB exit both North London Business Park buildings on or before 2020 and construct a smaller bespoke development for their own occupation whilst retaining Barnet House until 2032.
6. **New office accommodation on the Grahame Park site in Colindale:**  
This option assumes that LBB occupy either as leaseholder or freeholder, a new bespoke development on the Grahame Park site in Colindale from 2017 onwards.
7. **Build new office accommodation elsewhere:**  
As above, but look for an alternative location other than the Colindale site.
8. **Debt and asset sale:**  
This option is based on a model undertaken by a number of other bodies whereby all of the existing civic accommodation alongside other surplus properties would be sold to an institution / fund / investor (e.g. MARS and PEARS group) who would take over the liabilities usually subject to a balancing in payment. This would enable the council to effectively start again in terms of the civic accommodation with a clean sheet.
9. **Consider a full ‘commissioning’ model;**  
This option assumes that all of LBB’s office accommodation would be provided through a service contract.
10. **Consolidate into all current LBB surplus accommodation:**



Use surplus accommodation throughout the portfolio to accommodate users which cannot fit readily into the reduced estate.

#### 11. A full 'hub and spoke' operation:

Reconsider the current 'central HQ' model and move to a full 'hub and spoke' operation with a number of smaller offices based around the Borough.

This long list of options is appraised against the CSFs identified above and in the following table;

- **Green** assessment indicates fully meets;
- **Amber** assessment indicates partly meets; and
- **Red** assessment indicates does not meet.

Option	CSF1: Efficiency	CSF2: Desired Working Arrangements	CSF3: Strategic Aims	CSF4: Deliverability
Do Nothing	Will not deliver the required savings, leaving a significant budget gap	Adequate space but would represent a missed opportunity	A neutral impact – no negative consequences but a missed opportunity	No significant change required
Consolidate into Barnet House and NLBP Unit 2	Delivers savings in the period up to 2017 but no further savings from that period onwards	Opportunity to deliver planned changes	A neutral impact – no negative consequences but a missed opportunity	Achievable within planned timescales, but requires efficient planning and delivery given October 2015 break date is looming
Alternative rental accommodation	Potential to deliver savings	Opportunity to deliver planned changes, but potential disruption for staff	Dependent on location and nature of accommodation, could potentially facilitate greater access to LBB services	Would require an 'interim' solution whilst new accommodation is investigated and procured
'Out of borough'	Potential to deliver savings	Opportunity to adapt working arrangements, but not in alignment with Smarter Working Group approach and vision	LBB does not have a strategic aim of moving staff and operations out of borough for efficiency purposes	Very challenging within required timescales
Consolidate with another local authority	Potential to deliver savings	Opportunity to adapt working arrangements, but not in alignment with Smarter Working Group approach and vision	LBB does not have a strategic aim of moving to a Tri-Borough style of operation	Very challenging within required timescales

Option	CSF1: Efficiency	CSF2: Desired Working Arrangements	CSF3: Strategic Aims	CSF4: Deliverability
<b>Retain Barnet House and build another</b>	Potential to deliver savings. Would require up-front investment from LBB, which would require inclusion in the Capital Programme and retention of two sites would limit efficiency gains	Opportunity to deliver planned changes	Dependent on location and nature of accommodation, could potentially facilitate greater access to LBB services	Would require an 'interim' solution whilst new accommodation is developed
<b>New office accommodation on the Grahame Park site in Colindale</b>	Potential to deliver savings. Would require up-front investment from LBB, which would require inclusion in the Capital Programme	Opportunity to deliver planned changes	Meets strategic regeneration aims	Would require an 'interim' solution whilst new accommodation is developed
<b>Build new office accommodation elsewhere</b>	Potential to deliver savings. Would require up-front investment from LBB, which would require inclusion in the Capital Programme	Opportunity to deliver planned changes	Dependent on location and nature of accommodation, could potentially facilitate greater access to LBB services	Would require an 'interim' solution whilst new accommodation is developed and the identification of suitable premises may delay timescales further
<b>Debt and asset sale</b>	Potential to deliver savings. Scale and scope very unpredictable without further investigation	Opportunity to deliver planned changes, but potential disruption for staff	LBB does not have a strategic aim to proceed on this basis	Very challenging within required timescales
<b>Operate a full 'commissioning' model</b>	Potential to deliver savings. Scale and scope very unpredictable without further investigation	Opportunity to deliver planned changes, but potential disruption for staff	LBB does not have a strategic aim to proceed on this basis	Very challenging within required timescales
<b>Consolidate into all current surplus accommodation</b>	Unlikely to achieve savings, and would require significant investment into customising existing estate for accommodation. Not assessed as financially feasible	Does not align with the Smarter Working Group plans for accommodation. Less scope for flexible working within a highly geographically diverse workforce.	Dependent on location and nature of accommodation, could potentially facilitate greater access to LBB services	Very challenging within required timescales
<b>'Hub and spoke'</b>	Unlikely to achieve savings, and would require significant investment into new premises with an appropriate size / scale and geographical footprint	Does not align with the Smarter Working Group plans for accommodation. Less scope for flexible working within a highly geographically diverse workforce.	Dependent on location and nature of accommodation, could potentially facilitate greater access to LBB services	Very challenging within required timescales

From this long list appraisal, the following conclusions can be drawn:

- Considering new office accommodation on the Grahame Park site in Colindale has a number of advantages. It could deliver savings (pending further investigation in the short list appraisal), meets a primary regeneration objective of LBB and can be designed around optimal working arrangements. It would, however, entail potential disruption for staff and does require an 'interim' solution whilst the site is developed. It is a preferable option to others which involve the building of new accommodation as it is in an ideal location for regeneration (and is easier to make firm cost estimates for the short list appraisal);
- Consolidation into Barnet House and NLBP is a suitable 'Do Minimum' option that should continue to the shortlist. It is preferable to seeking alternative rental accommodation as it is both a potential interim solution that can be delivered relatively quickly and it involves less disruption for staff;
- 'Do nothing' is not a desirable option as it does not deliver the savings required against LBB's budget baseline. It should, however, be retained for the short list appraisal as a comparator option to test others against; and
- A number of long list options are not suitable for further consideration on the shortlist as they are either (or both) not strategically aligned to LBB's directions or are not deemed financially deliverable within the required timescales. This include 'out of borough', sharing with other local authorities or public bodies, a debt and asset sale, a 'commissioning' model for accommodation, using all surplus accommodation or a hub and spoke approach.

Based on the long list appraisal undertaken above, three options were selected for the short list appraisal:

- **'Do Nothing'** as a baseline – continuing with leases in both the NLBP sites and Barnet House;
- **'Do Minimum'** – exiting from NLBP Unit 4 and consolidating into NLBP Unit 2 and Barnet House; and
- **'Do Maximum'** – develop new, specialist accommodation at Grahame Park in Colindale to move into in 2017, having consolidated as per the 'Do Minimum' option beforehand.

## 10. Appendix B: Site location

The site is located on the eastern side of the Grahame Park development.



## 11. Appendix C: Detailed economic analysis

### 11.1. Appraisal methodology and notes

Both option appraisals assume the following:

- Costs exclude VAT;
- All one-off costs for AIP are assumed to be incurred in 2015/16 and one-off costs for Colindale are assumed to be incurred in 2017/18, with ongoing Smarter and Agile Working project costs in 2016/17;
- The options considered have been appraised over 34 years (2013/14 – 2046/47) with costs / savings discounted over those periods at 3.5%;
- Optimism bias has been applied at 20% to one-off implementation costs (based on HMT guidance on costing for risk in standard buildings);
- Contingency for build risk is included at 5% within capital build estimates provided by Re;
- All values are stated at current prices.

### 11.2. Do Nothing appraisal

There are no one-off costs.

Recurrent costs are as follows:

- NLBP 2
  - Rent: £0.8m per annum (2014/15 prices)
  - Service charge: £0.2m
  - Business rates: £0.3m
  - Facilities management: £0.4m

- Rent review in June 2015 and June 2020 (and thereafter every 5 years), assuming 17% increase in rent in 2015 and 2020, and 11% thereafter
- Rental income from NHS Barnet Clinical Commissioning Group (CCG), pro rata to the above costs, based on 7% occupancy of the LBB rented space
- NLBP 4 rental
  - Rent: £2.5m per annum (2014/15 prices)
  - Service charge: £1.0m
  - Business rates: £1.0m
  - Facilities management: £1.0m
  - Rent review in October 2015 and October 2020 (and thereafter every 5 years), assuming 11% increase in rent at each point
- Barnet House rental
  - Rent: £0.7m per annum
  - Business rates: £0.3m
  - Facilities management: £0.5m
  - Rent review in September 2017 and September 2022, assuming 11% increase in rent at each point
  - Income from Barnet Homes £0.2m (2014/15 prices)
  - Rental income from Re, pro rata to the above costs, based on 20% occupancy of the LBB rented space

### 11.3. Do Minimum appraisal

One-off costs:

- One-off costs are incurred in 2015/16 for the implementation of AIP;
- £3.0m for fit-out and refurbishment (of NLBP 2 and Barnet House);
- £0.5m project costs (Smarter Working implementation, business case development and legal costs);
- £2.6m for other implementation costs (dilapidations for NLBP2 and 4, deferred service charge for NLBP4, lease break for NLBP4, lease interest for NLBP2 and asbestos removal);
- £1.2m for transition costs (physical move, additional estimate to cover rent for staff that are estimated to require accommodation in addition to NLBP 2 and Barnet House, payment to cover early possession of NLBP2);
- £0.7m for equipment (office furniture and IT infrastructure);
- Optimism bias £1m.

Recurrent costs:

- As per Do Nothing except:
  - NLBP 4 lease termination in October 2015;
  - Additional rental of the 2<sup>nd</sup> floor of NLBP 2 at an additional £0.4m per annum.

### 11.4. Do Maximum

One-off costs as per Do Minimum, and in addition:

- £0.6m project costs (Smarter Working implementation, business case development and legal costs);
- £1.3m for transition costs (physical move);
- £1.4m for equipment (office furniture and IT infrastructure);
- £3.0m for fit-out;
- Optimism bias £1.2m.

Recurrent costs:

- As per Do Minimum until October 2017 move in to Colindale new site;
- FM and rates based on current baseline unit costs pro-rata to new space;
- Borrowing for capital build (of £36.3m) at 3.34% and MRP provision;
- Income from the CCG based on 5% of total space;
- Income from Re based on 18% of total space;
- Income from the Barnet Homes based on current rental agreement.

Note that lifecycle costs have currently been excluded as Re is developing a cost estimate. These will be included at FBC stage.

## 12. Appendix D: Building services and facilities management

Capita is required to deliver building services and facilities management services as per Schedule 1 of the CSG Contract<sup>12</sup>.

### Building services:

- Planned Preventative Maintenance;
- Undertake Statutory Testing and Inspection;
- Provide emergency/reactive repairs maintenance;
- Building Surveying Services;
- Energy and Utilities;
- Help desk;
- Cemeteries and war memorials;
- Traded Services; and
- Provide building adaptations and temporary accommodation units.

### Facilities management:

- Compliance documentation;
- Security services – vetting;
- Security services – static;
- CCTV;
- Control of access;
- Porterage and courier service;
- Goods in;
- Fire Management;
- Equipment & systems;
- Statutory testing and inspection;
- Reactive repairs and maintenance;
- Waste Management;
- Recyclable waste;
- Cleaning;
- Office space;
- Office moves;
- Corporate room bookings;
- Reception;
- Energy & Utilities;
- Car parking;
- Liaison with landlords;
- Managing tenants;
- Mayoral & civic events;
- Signage;

<sup>12</sup> <https://www.barnet.gov.uk/citizen-home/council-and-democracy/one-barnet-transformation-programme/customer-and-support-group-csg/customer-and-support-group-csg-formerly-nscso-contract/schedule-1---output-specifications.html>

- Mobile phones;
- Archiving;
- Clocks;
- Vending machines; and
- Unmanned operations sites.



## **13. Appendix E: Re design brief**

### **Introduction**

The Design options for the silting of the new building allow for a baseline of strategic decisions that will continue to employ key stakeholder and landowners to inform the progression of the project through to the next stages of design and land assembly. Our strategic design options have explored different configurations and opportunities to assemble a development site suitable for the new offices that addresses the adjacent regeneration schemes at various stages of design, procurement and construction.

### **Design Criteria**

The design options for the new offices have been developed on the basis of integrating with the strategic regeneration schemes of; Grahame Park; Platt Hall; and Beaufort Park.

Due to the ongoing Highway Capacity Study for the Colindale area a number of common strategic design criteria have been identified.

Detailed traffic modelling has been undertaken to develop the CAAP transport infrastructure requirements and identifying Corridors of Change within Colindale. A number of developments have already been constructed or have planning permission and other development sites are in the process of developing planning applications. The process has resulted in changes to the delivery phasing and programme, initially developed in 2007. There have also been changes in local and regional transport policies and network conditions. This has resulted in a requirement to review and refresh the transport infrastructure requirements.

### **Building Brief**

The New Office will be designed on the basis of providing Grade A specification office accommodation. Office spaces will be large open plan environments, supported with essential core circulation meeting rooms and facilities to support business operations. The structure will consist of a reinforced concrete frame. Internally the offices will be fitted out to a first class standard with Grade A finishes throughout. The Mechanical and Electrical system will compliment the office standards by providing a highly sustainable environmentally controlled BREEAM Very Good building.

Scheme design proposals are being prepared incorporating Design Brief Particulars (below) together with ongoing technical consultation with Genesis, the London Borough of Barnet, Planning, Re and Capita's multidisciplinary design team. The design has been approached in a methodical manner commencing with collation of information available concerning the physical, legal, and architectural constraints associated with the site. The project team are in the process of developing the brief further, following the initial studies undertaken to support a new office development of this scale in Colindale. The following design criteria is indicative only, subject to further detailed site investigation and report analysis, ongoing surveys, third party information, technical dialogue, public consultation to support and validate a detailed planning application.

### **Design Brief: Particulars**

The proposed development site will be used for the provision of New Offices for the London Borough of Barnet. The current scheme will be an eight storey (to be confirmed) complex. Parking options are currently being investigated.

## **Project Outcomes**

### **Brief, Design and Quality Control**

- Co-ordinate with Consultants the preparation of the design brief. Amplify the design brief as necessary during design development. Incorporate any changes and obtain Employer authorisation. Issue to consultants.
- Establish the responsibilities of Consultants, contractors and sub-contractors.
- Report Consultant scheme design proposals to Employer.
- Report preferred components, drawings and specifications prepared by Consultants to the Employer and obtain approval. Arrange amendments, if required, and submit final proposals to Employer for approval.
- Check that Consultants review build ability and the technical design of proposals with specialist contractors.
- Establish procedures for checking that the consultants' designs conform to the project brief.
- In conjunction with Consultants, advise on the need for quality assurance schemes, defects insurance and product guarantees.

### **Reporting and Meetings**

- Establish appropriate channels of communication between members of the project team.
- Establish meetings structure. Lay down procedure for convening, chairing, attendance, function, frequency and responsibility for recording of meetings and circulation of information. Monitor communications and distribution of information.
- Check appropriate information is provided to the Employer. Notify the Employer of decisions required from him.
- Agree with Consultants their reporting and recording procedures.

### **Programming**

- In conjunction with the multi-disciplinary design consultants, prepare and maintain a master programme from concept to completion to record principal activities and identify critical dates. Verify and incorporate Consultants' programmes for production of detailed design information. Monitor progress.
- Check that applications for statutory consents, government grants etc. are submitted in accordance with the master programme.
- Advise the Employer of information required, recommend appropriate action, stakeholder engagement and obtain authorisation where required.

## **Statutory and Compliance**

- Co-ordinate and support negotiations with planning authorities.
- Check with the architect the form and content of planning applications. Progress the planning process and arrange that the project team carry out a check of all approval/refusal documents. Check that Consultants implement and deal with any conditions attached to a planning consent.
- Check with the Consultants, which other statutory approvals are required and that application for approval are submitted. Check that Consultants apply for amendments to statutory approvals granted when required.
- Check that the Consultants obtain clearance from health and safety and fire officers.
- Advise the Employer on the requirements of the C (DM) Regulations in relation to the appointment of the planning supervisor, designers and principal contractor.

The following scope of service is to provide performance design duties The M&E services include the following systems:

### **Up to Submission of the Planning Application RIBA Plan of work Stage 3**

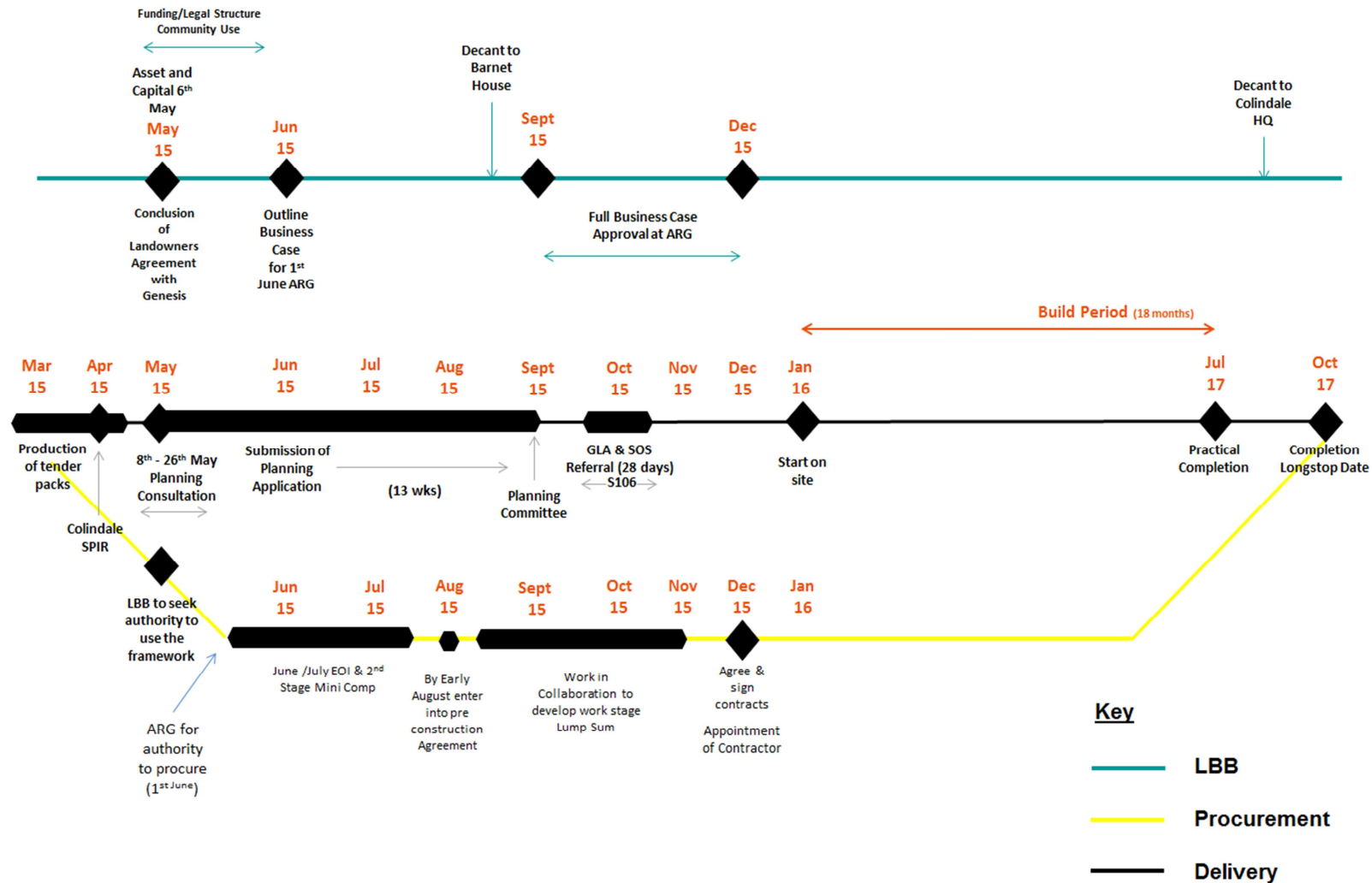
- Developing the approved concept design to show spatial arrangements, types of construction, materials, appearance and detailed proposals for structural and building services systems and updated outline specification.
- Consult with Statutory Authorities on developing the design proposals with the Client.
- Providing information for updating construction cost estimates.
- Produce visual montage in support of planning application.
- Preparing and submitting application for detailed planning permission.

## 14. Appendix F: AIP programme plan

AIP PROGRAMME																																																										
			APRIL															MAY															JUNE																									
			W/E 12.04.15					W/E 19.04.15					W/E 26.04.15					W/E 03.05.15					W/E 10.05.15					W/E 17.05.15					W/E 24.05.15					W/E 31.05.15					W/E 07.06.15					W/E 14.06.15					W/E 21.06.15					
			M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S
Building Works ( Barnet House)	Start	Finish																																																								
Pre Construction agreement Barnet House	26.03.15	26.03.15																																																								
Pricing Building and M&E Works	26.03.15	27.04.15																																																								
Commercial Meeting / Agree Target Cost	14.04.15	14.04.15																																																								
Draft letter of Appointment and Contract Particulars	13.04.15	23.04.15																																																								
Contractor Appointment for Barnet House	28.04.15	28.04.15																																																								
Contractor mobilisation	28.04.15	11.05.15																																																								
Seek legal agreement to carry out carry out works	02.04.15	19.04.15																																																								
Site Set Up	11.05.15	15.05.15																																																								
Site Works	18.05.15	17.08.15																																																								
Building Works NLBP2																																																										
Pre Construction agreement for NLBP2	07.04.15	17.04.15																																																								
Pricing Building and M&E Works	08.04.15	01.05.15																																																								
Agree moves programme	28.04.15	01.05.15																																																								
Commercial Meeting /Agree Target Cost	29.04.15	29.04.15																																																								
Draft letter of Appointment and Contract Particulars	30.04.15	07.05.15																																																								
Contractor Appointment for NLBP2	14.05.15	14.05.15																																																								
Seek legal agreement to carry out the works	02.04.15	19.04.15																																																								
Submit Planning Application	04.05.15	21.06.15																																																								
Contractor mobilisation	15.06.15	01.07.15																																																								
Site works	01.07.19	21.09.15																																																								
Interim Moves																																																										
Agree interim moves	09.04.15	09.04.15																																																								
Contact YOT re interim moves	09.04.15	09.04.15																																																								
Assess capacity for desks for YOT	13.04.15	14.04.15																																																								
Plan out desk positions	14.04.15	15.04.15																																																								
Carry out assessment of IT works and prepare cost report	15.04.15	22.04.15																																																								
Agree costs for IT works	20.04.15	22.04.15																																																								
Agree funding	22.04.15	28.04.15																																																								
Appoint IT contractor	01.05.15	01.05.15																																																								
Discuss proposals with term contractors for moves	14.04.15	15.04.15																																																								
Establish removal costs	22.04.15	28.04.15																																																								
Agree funding	20.04.15	23.04.15																																																								
Appoint term removals contractor to carry out works	01.05.15	01.05.15																																																								
Carry out IT works	07.05.14	11.05.15																																																								
Identify space to accommodate surplus furniture	13.04.15	15.04.15																																																								
Facilities to move out surplus furniture	04.05.15	07.05.15																																																								
Carry out interim removal contract	08.05.15	10.05.15																																																								
Remove furniture to off site storage	07.05.15	08.05.15																																																								
Clear site	11.05.15	11.05.15																																																								
Identify space for Somali Brevanese	08.04.15	08.04.15																																																								

[illegible]

## 15. Appendix G: Colindale programme plan



## 16. Appendix H: High level AIP and Colindale risk log

This risk log summarises the high level risks from the AIP and Colindale Programme risk logs.

Project	Risk category	Description	Owner	Rating	Action / mitigation
AIP	Design risk / business risk	Potential for wider disruption to business.	Re / LBB	16	Discussions with Emergency Planning and Business Continuity lead have taken place and residual risks have been highlighted in the emergency plan and Business Continuity strategy. Business disruption plans will be updated during the moves.
AIP	Decant risk	Successfully completing exit and relevant contractual clauses with landlord.	Re / CSG / LBB	16	Complete detailed exit and decant plan, with contingency in place, and QA.
AIP	Design risk	Car parking. Following exit of building 4 we will have fewer spaces and therefore require changes to working practices.	CSG / Re / LBB	16	Establish number of car parking spaces available at NLBP4 and BH. Develop strategy to allocate car parking and develop travel strategy.
AIP	Design risk	Risk of programme timescale slippages, based on scope of works or resourcing.	CSG / Re / LBB	16	Co-ordinate with contractor and prepare a robust programme, QA activities and weekly programme reporting.
AIP	Business risk / decant risk	Ensuring IS works are complete – Completing and implementing ICT proposal; data cabling in place with new layouts; IT installation; power packs and power sockets available.	Re / IT	16	The IS proposal has now been signed off and works are progressing. The Programme is now seeking agreement of scope / dates for cabling. There is a need to set out powerpacks and power socket requirements and develop a migration plan for the server room.
Colindale	Business risk	There is a risk that customer access is not sufficient, secure or appropriate for statutory meetings with customers.	LBB	16	This is dependent on the development of the customer access strategy and potential location requirements, and will be built into the design brief and kept on review. LBB should also consider customer access arrangements that other authorities have implemented.
Colindale	Business risk	Parking. There is a risk that the limited availability of parking at Colindale could have a negative effect on recruitment and retention of staff that may have difficulty in travelling to work by public transport. Any impact on staff ability to travel around the borough could affect efficiency.	LBB	20	Some parking requirements have been built into the design. The Locality Strategy will define the requirement and enable staff to be better informed of the implications of the move on parking. Ongoing work is taking place to ascertain the detailed organisational parking requirements and staff will be consulted. The Programme is developing plans for Smarter Working to adopt different working practices to lessen the need for onsite parking. Additionally, if it is made clear in the recruitment process that there will be no provision for parking, then there will no expectation for it.
Colindale	Business risk	Ensuring building design meets client needs. For example, meeting, training capacity and café space may be inadequate with potential to decrease productivity, compromise confidentiality, or team cohesion.	LBB	20	This will be built into the next stage of design as far as is possible within the constraints of the building. Risk to be kept on review for the next design stage.
Colindale	Business risk	Opportunities for co-location with partners will be limited at Colindale due to the office space restrictions. This may reduce productivity and/or trust with external partners.	LBB	16	Colocation should be considered in the design. If it is not going to be possible then the relevant groups should be informed as early as possible so that alternative arrangements can be made. Risk to be kept on review for the next design stage.

Project	Risk category	Description	Owner	Rating	Action / mitigation
<b>Colindale</b>	Business risk	The lack of café space would also result in a loss of kitchens. This would take away the capability of the Education & Skills departments to cook and cater for schools. Alternative not yet identified.		16	This may be mitigated by the Education & Skills ADM and will be explored through competitive dialogue. An external provider would take on the school catering activities. However, this does not mitigate the risk around where the food would be supplied from. To be kept on review.
<b>Colindale</b>	Build risk	That the construction overruns and is not delivered in time to meet the Council's lease exit requirements.	Re	20	Re is experienced in managing major construction schemes. A detailed plan, cost model will be developed; gateways and a control model will be in place. Re will be reporting regularly through the Colindale Programme Board through the construction phase. Programme management and detailed plans will be developed to contain cost, QA, use comprehensive gateways and change control to manage variation in scope / design.
<b>Colindale</b>	Decant risk	Decant is not delivered to time and budget.	Re	20	As above, Re has significant experience of office moves from other schemes. Any change in risk will be reported regularly to the Colindale Programme Board. Programme management and detailed plans will be developed to contain cost, QA, use comprehensive gateways and change control to manage variation in scope / design.
<b>Colindale</b>	Planning risk	That planning permission is not obtained within the Council's required timescales, impacting on time and/or cost.	Re	15	A specialist planning consultant has been engaged to assess and liaise with the Planning Authority.
<b>Smarter Working</b>	Demand risk	That estimates of staff working patterns are not realistic, and more staff need to work in the office than planned.	LBB	15	The required working arrangements and staffing model are dependent on the Colindale estates limitations. This dependency will be managed through a Smarter and Agile Working Programme. Between now and FBC, more detailed work will take place to ascertain the precise staffing requirements and how those will be delivered. This will feed into the configuration for the build.
<b>Smarter Working</b>	Business risk	Agile working practices are not achieved and staff numbers requiring office space are higher than planned.	LBB	15	The Smarter and Agile Working Board will develop detailed plans for the workforce and IT arrangements to support the physical estates move. This will be implemented using a robust change management approach and will be reported on in full in the FBC.
<b>Colindale</b>	Business risk	The move is not welcomed by staff, resulting in with impact on recruitment and retention.	LBB	16	Work is currently taking place to scope the requirements of change management and workforce projects to manage the change. These projects will be responsible for ensuring that the change meets staff requirements and they are engaged / supported through the change.
<b>Colindale</b>	Design risk	Design does not meet the user requirements and results in changes to specification or scope, with potential cost impact.	Re	16	Re is experienced in managing major construction schemes. Re will be reporting regularly through the Colindale Programme Board through the design and pre-construction phase. A service design and readiness workstream will be developed to mitigate this risk.



## 17. Appendix I: Benefits realisation templates

### 17.1. Financial benefits

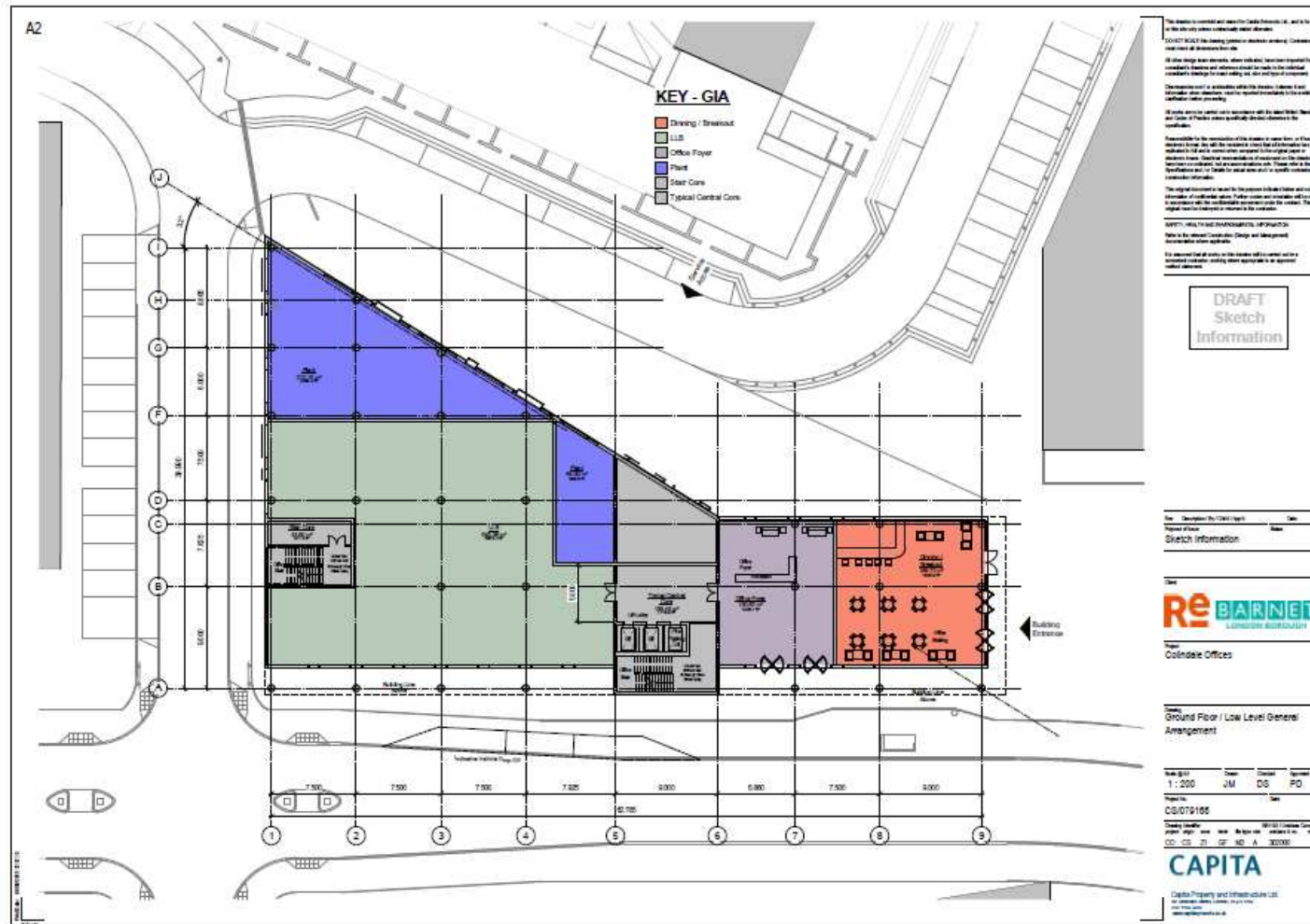
Portfolio	Project	15/16	16/17	17/18	18/19	19/20	Total (£000's)	Change Summary
		Savings Allocation (£000's)	RAG	Savings Approved (£000's)	Savings Approved (£000's)	Savings Approved (£000's)		
Central	Delivering Colindale							
	Delivering Colindale							
	Delivering Colindale							
	Delivering Colindale							

### 17.2. Non-financial benefits

Project	Non-Financial Benefit (including measure and target)		Date to be delivered			Category (KPI/ Enabler / Legislation / CSF)	RAG	Comment
	15/16	16/17	17/18	18/19	19/20			
Delivering Colindale								
Delivering Colindale								
Delivering Colindale								

## 18. Appendix J: 1:200 drawings

### 18.1. Ground floor

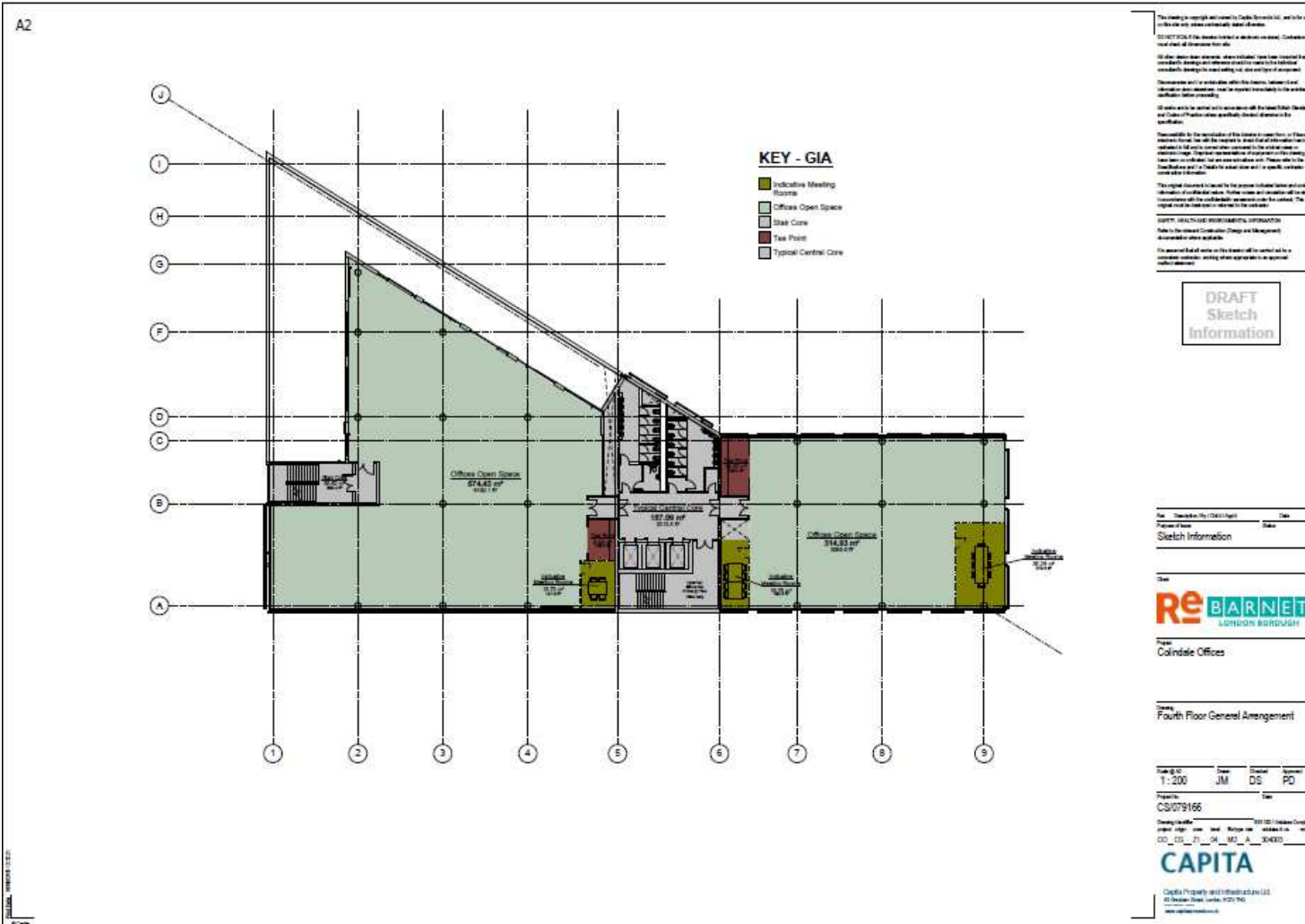








### 18.5. 4<sup>th</sup> floor











**KEY - GIA**

- Inductive Meeting Rooms
- Office Open Space
- Office Open Space
- Tea Point
- Typical Central Core

Office Open Space 367.27 sq ft (34,010 sq ft)

Tea Point 100.00 sq ft (9,290 sq ft)

Office Open Space 314.03 sq ft (29,180 sq ft)

Inductive Meeting Room 100.00 sq ft (9,290 sq ft)

Typical Meeting Room 100.00 sq ft (9,290 sq ft)

Typical Office Open Space 100.00 sq ft (9,290 sq ft)

Typical Central Core 100.00 sq ft (9,290 sq ft)

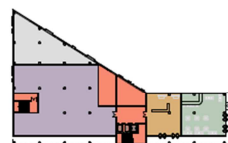
Overall Dimensions: 100'0" x 100'0"

-  Indicative Meeting Rooms
-  Offices, Open Space
-  Tea Point
-  Typical Central Core

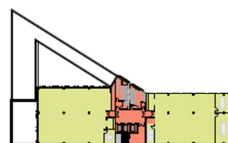
100

12/11/2019

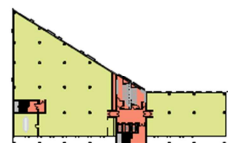
## 19. Appendix K: Schedule of areas



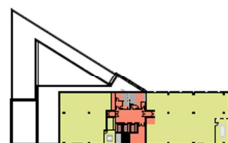
U00 - Ground Floor Plan



U06&07 - Sixth & Seventh Floor Plan



U01 - First Floor Plan



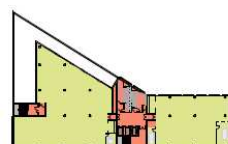
U06- Eighth Floor Plan



U02&03 - Second & Third Floor Plan

### Accommodation Key

- Offices - Potentially
- LBB / Carway
- Offices
- Core
- Offices Foyer
- Dining / Breakout
- Plant / Service / Basement



U04&05 - Fourth & Fifth Floor Plan

Total Nett Lettable		
Name	Area	Sq ft
<b>U00</b>		
Office Space	545.5 m²	5,871
Dining / Breakout	165.9 m²	1,786
	711.4 m²	7,657
<b>U01</b>		
Office Space	799.1 m²	8,602
Office Space	296.1 m²	3,187
	1,095.2 m²	11,789
<b>U02</b>		
Office Space	878.9 m²	9,460
Office Space	377.5 m²	4,067
	1,256.7 m²	13,527
<b>U03</b>		
Office Space	877.5 m²	9,445
Office Space	377.5 m²	4,067
	1,255.3 m²	13,512
<b>U04</b>		
Office Space	596.6 m²	6,422
Office Space	377.5 m²	4,067
	974.5 m²	10,489
<b>U05</b>		
Office Space	609.3 m²	6,598
Office Space	377.5 m²	4,067
	987.1 m²	10,625
<b>U06</b>		
Office Space	379.5 m²	4,084
Office Space	377.5 m²	4,067
	757.3 m²	8,151
<b>U07</b>		
Office Space	379.5 m²	4,084
Office Space	377.5 m²	4,067
	757.3 m²	8,151
<b>U08</b>		
Office Space	377.5 m²	4,066
Office Space	241.7 m²	2,602
	619.5 m²	6,669
<b>Totals</b>	<b>8,414.3 m²</b>	<b>90,571</b>

Gross Internal Area		
Name	Area	Sq ft
Ground Floor	1,318.3 m²	14,190
1st Floor	1,318.4 m²	14,191
2nd Floor	1,473.0 m²	15,855
3rd Floor	1,473.3 m²	15,858
4th Floor	1,196.1 m²	12,874
5th Floor	1,126.0 m²	12,120
6th Floor	942.3 m²	10,143
7th Floor	948.0 m²	10,200
8th Floor	776.4 m²	8,357
<b>Totals</b>	<b>10,671.8 m²</b>	<b>115,794</b>