

London Borough of Barnet

Accommodation Options Review

Full Business Case (FBC)

July 2016

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1. Executive Summary

This document is the Full Business Case (FBC) for London Borough of Barnet's (LBB) accommodation review. It follows a Strategic Outline Case (SOC) and more recently an Outline Business Case (OBC) which was approved at the Assets, Regeneration and Growth (ARG) Committee in June 2015. The purpose of this document is to approve the preferred option for the scheme and move to the next stage in the process i.e. construction of the building.

Since the OBC, LBB has delivered a consolidation of its estate by reducing occupancy of the North London Business Park (NLBP) Unit 4 by ~84% in September 2015. During 2015, the displaced NLBP Unit 4 staff were relocated to Barnet House and NLBP Unit 2. The result of the consolidation move saw overall LBB accommodation sq ft fall from 262,000 to 175,000. The current arrangements are summarised below:

- NLBP Unit 2: 70,000 sq ft
 - NLBP Unit 4: 29,000 sq ft
 - Barnet House: 76,000 sq ft
- Total: 175,000 sq ft

The forecast savings realised from undertaking the estate consolidation, at a net present value, amount to some £85.1m over the next 54 years, as outlined in Appendix C: Detailed economic analysis and make a contribution towards the Council's Medium Term Financial Strategy (MTFS). As is described in detail below, this FBC compares a Baseline position representative of the setup today with an alternative forward-looking option. As such, the historic consolidation related savings are not taken into account in this business case.

LBB currently has an estimated office based staff requirement amounting to ~2,115 staff¹ - based at both the NLBP in the east of the Borough and Barnet House in Totteridge and Whetstone. LBB's ambition is to move towards true agile working and it is committed to providing a more flexible working environment. With the introduction of flexible and agile working, it is believed that LBB could occupy a much smaller footprint in the future. 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 relocating its office based staff to this area.

This business case therefore appraises two options, commencing in October 2015:

- **Baseline (Post Consolidation):** Continuing with status quo accommodation setup. Leases in both NLBP sites and Barnet House
- **Option 1:** Develop new office accommodation at Grahame Park in Colindale to move into in September 2018. Exit NLBP Unit 4 in September 2018, NLBP Unit 2 in June 2020 and Barnet House in September 2032

¹ In terms of full time equivalents (FTEs); the Locality Strategy submitted alongside this Full Business Case refers to 2,466 staff. This is a different number because it includes staff operating from buildings other than in NLBP and Barnet House

The Baseline (Post Consolidation) option commenced in October 2015, and as previously mentioned does not therefore take into account savings accrued from the September 2015 consolidation move. As such, Baseline (Post Consolidation) does not deliver savings. Moreover, the estate will remain situated over a number of sites, not contributing to the Council's regeneration aims. Over an economic analysis period of 54 years (October 2015 to 2069 - 50 years from the potential Colindale move in date), Baseline (Post Consolidation) has a Net Present Value (NPV) of - £123.0m.

Option 1 will increase utilisation further, and allow an end to all existing lease arrangements (NLBP from 2018² to 2020 and Barnet House from 2032), consolidating the majority of council operations in one site. Smarter Working will be achieved and services will be co-located to support integrated working. Locality working, or the provision of working spaces for our staff within the community, will ensure that front line staff are close to the people they support. Additionally, the scheme would benefit LBB's regeneration plans in Colindale, bringing council offices closer to the community as well as new jobs and support to local businesses. Capital build costs (total of £48.3m, amortised over 50 years) will be funded through borrowing and revenue requirements will be contained within existing budgets. Over a 10 year period to 2026, Option 1 will deliver cumulative running cost savings of £3.0m. In terms of cash flow, following the move to Colindale in September 2018 and as NLBP Unit 2 and 4 leases expire, Option 1 begins to provide running cost savings against the Baseline (Post Consolidation) from 2019/20.

The economic analysis in this business case (Economic Case) has shown that Option 1 represents value for money for the council, with £29.7m NPV savings over 50 years when compared against current status quo - Baseline (Post Consolidation).

As such, and taking into account the qualitative analysis above, Option 1 remains the preferred option for LBB's accommodation review as per the recommendation at OBC stage.

In setting out the benefits of Option 1, any potential future benefits derived from opportunities to reduce the Barnet House cost have been excluded from the analysis because it is not yet known whether those opportunities can be realised.

The Colindale and Smarter Working 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. This will include assurance from the Customer and Support Group subject matter experts, Re and Commissioning Group client teams.

It is therefore recommended that the Council moves to begin construction of the Colindale scheme.

² Assuming agreement to extend the existing lease for NLBP Unit 4 from October 2017 to August 2018.

2. Introduction

Following the Strategic Outline Case (SOC), an Outline Business Case (OBC) was signed off at the Assets, Regeneration and Growth (ARG) Committee in June 2015. At this time it was recommended that a Full Business Case (FBC) be developed for consideration at ARG in July 2016.

This FBC 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 status quo and the preferred option
- Commercial Case – indicating the commercial implications of the preferred option
- Financial Case – indicating how the preferred option could be funded
- 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

LBB has an estimated office-based staff requirement amounting to ~2,115 individuals, with staff split across the NLBP in the east of the Borough and Barnet House in Totteridge and Whetstone.

Strategic drivers³

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 became 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 with residents expecting 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, in part through increasing locality working as set out within the Council's new Locality Strategy, submitted alongside this Full Business Case.

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)⁴ sets out the framework for 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

³ LBB Corporate Plan 2015 – 2020, April 2015

⁴ <https://www.barnet.gov.uk/citizen-home/planning-conservation-and-building-control/planning-policies-and-further-information/colindale-aap/colindale-area-action-plan.html>

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.⁵ 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

3.2. Case for Change

Previous accommodation setup

Prior to October 2015, Barnet’s principal office accommodation was across three buildings. For the purpose of this report, this setup is referred to as Baseline (Pre Consolidation):

• NLBP Unit 2:	43,000 sq ft
• NLBP Unit 4:	178,000 sq ft
• Barnet House:	41,000 sq ft
 Total:	 262,000 sq ft Net Internal Area ⁶

In addition, the Council’s accommodation estate also includes Hendon Town Hall, the democratic heart of the Council used for Civic Meetings and Ceremonial space, but which has been excluded for the purposes of this accommodation review.

⁵ 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>

⁶ 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.

It was recognised that the office accommodation setup included a significant amount of unused space and it was considered that alongside the introduction of flexible and agile working, LBB could occupy a much smaller footprint in the future. It was estimated that an appropriate revised estate footprint for the core civic accommodation could be in the region of 90,000 sq ft from 2018 onwards. As such, a review of the accommodation options was initiated.

Current arrangements

LBB exercised the right to activate a break clause for NLBP Unit 4 in late 2014 and subsequently Customer Services Group (CSG) signed a new rental agreement in October 2015 for an initial 24 months to remain in NLBP 4 with a ~84% reduction in floor area. During 2015, the displaced NLBP Unit 4 staff were relocated to Barnet House and NLBP Unit 2. In advance of the move to accommodate the relocating staff, LBB leased an additional floor of NLBP Unit 2 and commissioned partial refurbishment of both Barnet House and NLBP Unit 2 to ensure the working environment was fit for purpose for the new increased occupancy. The result of the consolidation move saw overall LBB accommodation sq ft fall from 262,000 to 175,000. The current arrangements, referred to as Baseline (Post Consolidation) are summarised below:

• NLBP Unit 2:	70,000 sq ft
• NLBP Unit 4:	29,000 sq ft
• Barnet House:	76,000 sq ft
Total:	175,000 sq ft Net Internal Area

The lease on NLBP Unit 4 is due to expire in October 2017, Unit 2 in July 2020 and Barnet House in September 2032.

Future 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 7:10 ratio. This is based on average office occupancy for all work style types including a buffer allowance to absorb variations in work patterns. It is estimated that the recent reduction in floor area occupied in NLBP Unit 4 has delivered a desk to staff ratio in the region of 7:10. It is envisaged that this ratio or lower will be applied when estimating desk requirements in a potential move to Colindale, particularly through changes to the way we work through improvements to IT, working & management practices, travel and HR policies. A further office utilisation study will be commissioned shortly to review the current utilisation of the recently reduced floor area to test the appropriate target ratio of desks per staff within the new Colindale offices.

As a result of the Agile Working Study, the Smarter Working Programme 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).

Moreover, 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, community use and public space.

3.3. Investment objectives

The core investment objectives for LBB accommodation are as follows:

- Deliver office accommodation savings over an initial 10 year period to 2026;
- 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:

- September 2018 is the earliest date for delivery of Colindale office accommodation arising from new build works;
- 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;
- 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 Colindale and Smarter Working Programme Board;
- If necessary, negotiations with the owners of NLBP Unit 4 will be required for any possible short-term extension to the lease end date;
- Negotiations with tenants will be required to define tenancy requirements;
- Changes are made to the way we work to allow more flexible and agile working.

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;
- Resistance to cultural changes as the smarter working and encouraged use of public transport initiatives are instigated;
- Delays in the internal decision making processes results in the accommodation not being available for occupation by September 2018.

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

3.7. Conclusion

This section has outlined the strategic context and case for change for LBB's office accommodation and the investment objectives for any potential option.

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 (CSFs) 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 and OBC stage was 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
- **Do Maximum:** Having consolidated as per the Do Minimum option beforehand, develop new office accommodation at Grahame Park in Colindale to move into in 2017.

Since the OBC was signed off in June 2015, the Council has effectively delivered the OBC Do Minimum option through significantly reducing its commitment in NLBP Unit 4 and decanting to NLBP Unit 2 and Barnet House. The nominal floor area occupied at NLBP Unit 4 is for the sole use of Capita and as such the costs are paid by Capita. As a result, the above OBC Do Nothing option is no longer relevant and the OBC Do Minimum option - updated with refreshed costs, represents the new baseline. For the purposes of this report, the revised baseline will be referred to as Baseline (Post Consolidation) and will represent the current status quo – commencing October 2015 and continuing with leases in both NLBP sites (Unit 2: 70,000 sq ft and Unit 4: 29,000 sq ft) and Barnet House (76,000 sq ft). The OBC Do Maximum will be renamed Option 1.

The FBC considers the following options commencing in October 2015 in further detail to recommend a preferred option:

- **Baseline (Post Consolidation):** Continuing with the status quo accommodation setup. Leases at both NLBP sites and Barnet House
- **Option 1:** Develop new, specialist accommodation at Grahame Park in Collingdale to move into in September 2018. Exit NLBP Unit 4 in September 2018, NLBP Unit 2 in June 2020 and Barnet House in September 2032

4.3. Baseline (Post Consolidation) appraisal

Commencing in October 2015, the Baseline (Post Consolidation) option represents:

- Continuing with the status quo accommodation setup. Leases in both NLBP sites and Barnet House. This can be summarised as:
 - NLBP Unit 2: 70,000 sq ft
 - NLBP Unit 4: 29,000 sq ft
 - Barnet House: 76,000 sq ft

Qualitative appraisal

The Baseline (Post Consolidation) option involves simply maintaining the status quo and therefore does not provide savings but does have lower one-off costs than Option 1. The estate will remain over a number of sites and this option does not contribute to the regeneration aspirations of the Council.

Critical Success Factor	Benefits	Risks	RAG Rating
CSF1: Delivers required efficiency savings and affordable to implement	<ul style="list-style-type: none"> • One-off costs are lower than for Option 1 	<ul style="list-style-type: none"> • Will not deliver any additional savings, leaving a significant budget gap • Does not reduce current estates operating costs 	
CSF2: Alignment with Smarter Working Group approach to desired working arrangements		<ul style="list-style-type: none"> • Remains partially within an inefficient estate (several sites) 	
CSF3: Alignment with the wider strategic aims of LBB		<ul style="list-style-type: none"> • Does not meet regeneration plans set out in the Colindale Area Action Plan 	
CSF4: Deliverability within appropriate timescales and with minimal disruption to service delivery	<ul style="list-style-type: none"> • Already delivered 		

Quantitative appraisal

The Baseline (Post Consolidation) option has a NPV of £-123.0m over a 54 year period. This is explained by the fact that no additional savings are delivered from the Baseline (Post Consolidation) option. A detailed breakdown of the costs, income and assumptions made is at

Appendix C: Detailed economic analysis.

4.4. Option 1 appraisal

Commencing in October 2015, Option 1 represents:

- Opportunity to reduce the accommodation footprint to 90,000 sq ft from 175,000 today through relocating office based staff to a new site, Grahame Park in Colindale, in September 2018
- Introduction of smarter, agile working practices for staff
- Exit existing leases upon expiry – NLBP Unit 4 in September 2018, Unit 2 in June 2020 and Barnet House in September 2032

Figure 1: Artist impression of the proposed new offices at Grahame Park



Qualitative appraisal

Option 1 would provide savings against today’s baseline, would increase office space utilisation and allow an end to all NLBP lease arrangements from 2020, Barnet House from 2032 and consolidate all Council operations across the new site.

The Colindale offices development proposal details the erection of a 9 storey office building which would provide approximately 90,000 sq ft in total accommodation, excluding a café at the ground floor with associated access, landscaping and car parking. Provision would also be made for substantial additional car parking off-site at the RAF Museum nearby. As part of the Grahame Park Estate master plan, the proposed office block would form one of a number of mixed use new buildings around the emerging Southern Square key gateway. The development will make provision

for new employment space, enhance the public realm and complement the major development opportunities and longer term change taking place in Colindale. This site would be at the heart of a new community in Barnet, a key differentiator.

Integral to the plans is smarter, agile working. Under the plans, LBB would provide staff and service users with office accommodation that provides a flexible working environment in line with modern working practices. Locality working, or the provision of working spaces for our staff within the communities that need our services and support the most, will ensure that front line staff are close to the people they support and that the new Colindale offices provide sufficient space for our staff. It is envisaged that moving to this approach will place staff in the right locations, creating more dedicated time to delivering frontline services face to face. Additionally, staff would have instant access to the information they need to fulfil their roles effectively and respond to the changing needs and demands.

Critical Success Factor	Benefits	Risks	RAG Rating
CSF1: Delivers required efficiency savings and affordable to implement	<ul style="list-style-type: none"> Delivers savings against Baseline (Post Consolidation) Will deliver improved estate utilisation Allows LBB to end all lease arrangements at NLBP (2020) and Barnet House (2032) 	<ul style="list-style-type: none"> One-off costs are higher than the Baseline (Post Consolidation) 	
CSF2: Alignment with Smarter Working Group approach to desired working arrangements	<ul style="list-style-type: none"> Delivers the planned changes under Smarter Working Many LBB services will be collocated, supporting more integrated working, and a more efficient estate 		
CSF3: Alignment with the wider strategic aims of LBB	<ul style="list-style-type: none"> Meets regeneration plans set out in the Colindale Area Action Plan 		
CSF4: Deliverability within appropriate timescales and with minimal disruption to service delivery	<ul style="list-style-type: none"> Achievable within planned timescales 	<ul style="list-style-type: none"> Requires robust planning and delivery given that a September 2018 move-in date is fast approaching Requires first an accommodation move in 2018 and a second move, in 2020 - creating more disruption to staff, partners and customers than the other option A higher risk option in terms of complexity of delivery Requires full planning permission approval 	

Quantitative appraisal

Option 1 has a Net Present Value of £29.7m over the life of the investment (54 years) compared to the Baseline (Post Consolidation). A detailed breakdown of the costs, income and assumptions made is at

Appendix C: Detailed economic analysis.

Barnet House upside potential

In setting out the benefits of Option 1, a worst case scenario approach has been taken. Any potential future benefits derived from reducing the Barnet House liability have been excluded from the analysis.

4.5. Conclusion

The analysis in this business case shows that Option 1 represents the greatest value for money (see table below). Although it is a higher risk option than Baseline (Post Consolidation), and there will be more disruption, 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 comparing both options

Analysis overs 54 years (Oct 2015 to 2069)	Baseline (Post Consolidation)	Option 1
One-off capital costs	- 7.5 m	- 10.5 m
Estates running costs (net of rental income)	- 259.3 m	- 127.1 m
Net total costs / income of Baseline (Post Consolidation)	- 266.8 m	
Net discounted total costs / income of Baseline (Post Consolidation)	- 123.0 m	
Running cost savings against Baseline (Post Consolidation)		259.3 m
Net total costs / savings against Baseline (Post Consolidation)		121.7 m
Net discounted total costs / savings against Baseline (Post Consolidation)		29.7 m

5. Commercial Case

The Economic Case sets out the preferred option for Barnet's office accommodation. This Commercial Case details the agreed deal with the preferred contractor, including the method of selection used as well as a summary of the services to be delivered.

5.1. Existing arrangements

Option 1 assumes the following lease arrangements:

- Extending the current NLBP 4 (Ground Floor) lease from October 2017 to August 2018
- Exiting the lease upon expiry at NLBP 2 in June 2020
- Exiting the lease upon expiry at Barnet House in September 2032

5.2. Procurement approach

Design and build of the new offices

The OBC was developed and presented to the Assets, Regeneration and Growth Committee (ARG) in June 2015 with a recommendation delegated to the LBB Commercial & Customer Services Director to enter into a Pre-Construction agreement.

Re, in association with the LBB procurement team and in line with EU public procurement regulations and The Public Contracts Regulations 2015 conducted a review of procurement options for the proposed Colindale office development. Following the RIBA (Royal Institute of British Architects) 7 stage work plan, a two stage Design & Build Southern Construction Framework was used to source a supplier. The procurement programme comprised:

- Mini-competition 1 - June 2015 (RIBA Stage 3 design)
- Mini-competition 2 - July 2015 (RIBA Stage 4 design)
- Pre-construction contractor appointment – 10th August 2015

Four Contractors were initially shortlisted. The evaluation of the 2 stage tender followed the evaluation methodology and weighting between technical and commercial criteria used in the evaluation of the 2014 OJEU contract procurement. The individual technical and commercial questions were weighted according to the project specific requirements.

Following assessment by the Client Team, approval was sought to proceed with Galliford Try Construction with a winning overall score of 94%. The Director of Commercial & Customer Services authorized the appointment of Galliford Try Construction under a pre-construction services agreement to develop RIBA Stage 4 Technical Designs through a Delegated Powers Report on 6 August 2015. In using the Southern Construction Framework contract procedure rules have been adhered to. This decision has been taken in accordance with the Council's Constitution and 22 Contract Procurement Rules Appendix 1 Table A.

Following appointment of Galliford Try Construction, the RIBA Stage 4 Design have been developed through ongoing consultation with the Council and their appointed consultants. The Contractor has undertaken a tender exercise and market evaluation to develop both a Tender Sum Analysis and Final Contract Sum.

The Outline Business Case included a build provision of £26.6m. The Final Contract Sum for approval is £29.6m. The main items of variance include the addition of a sprinkler fire protection system, a revised heating and cooling specification and basement construction.

5.3. Planning permission

On 1st October 2015, planning permission was granted in principle by Barnet's Planning Committee for the new Colindale Offices. Through on-going engagement with stakeholders the design of the Colindale Offices scheme was enhanced resulting in updates to both elevation treatments and floor plans, which generated space and operational efficiencies. As a result, updated designs were submitted to the Local Planning Authority for consideration as an amendment to the original planning application. These amendments were approved by the Planning Committee on the 31st March 2016.

A copy of the proposed planning conditions is attached as Appendix I: Planning permission

5.4. Agreed services

Development support services

Through the LBB and Re partnership, Re has already delivered preparation of Stage 3 design and a supporting submissions for Full Planning. Re will provide the following development support services for the Colindale programme, under existing contractual arrangements with LBB:

- Cost consultancy
- Project management
- Development management

Furniture, Fixtures & Equipment

An inventory study has been conducted for the existing furniture at Barnet House and NLBP. It is intended that this inventory will be incorporated into the proposed Colindale development. Upon completion of the indicative floor layouts, a furniture, fixtures and equipment requirements exercise will be undertaken, with procurement planned for early 2017.

Building services and facilities management

Facilities Management of the Civic Estate is the responsibility of the Customer Support Group (CSG) Partnership. Capita is required to deliver building services and facilities management services as per Schedule 1 of the CSG Contract. The duties will revert to the Council on expiry of the Contract.

A copy of the FM Cost Review Report including Life-Cycle Plan is attached as Appendix D: Building services and facilities management which identifies the cost profile for the operational cost of running the building together with the long term sink fund required to cover the building life-cycle costs over the 50 year building life.

5.5. Tenancy agreements

LBB will hold the freehold for the building and may sub-lease to a number of tenants in the building, which are likely to be third sector and other public sector partners. Tenancy Agreements are being

drafted for the Council's external partners and all partners will be required to pay rent and service charge in accordance with their contractual commitments.

5.6. Risk allocation

LBB has undertaken due diligence with regards to the preferred supplier, Galliford Try PLC and Company Watch financial check reports of Galliford Try Construction (UK) Ltd and their parent company Galliford Try PLC have been produced. The health profile for the subsidiary company Galliford Try Construction (UK) Ltd is below the industry average, but above the warning threshold. The financial analysis undertaken on this health check has deemed this as a risk. As such, Re on behalf of the Authority has incorporated a Parent Company Guarantee and bond as part of the main contract.

Commercial implications

The procurement risks of agreeing a Pre-Construction agreement in advance of the Full Business Case have been minimised through utilising the existing Capita / LBB contract alongside the Council's internal procurement team. The commercial implications are minimised through Capita's extensive experience in development management which will ensure that all commercial negotiations will be concluded to the maximum possible benefit of LBB council.

5.7. Note on the Principal Development Agreement to Genesis Housing Association⁷

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) for the construction of approximately 2,900 new homes.

The Council's decision to develop plot 8 for new office facilities required both parties to agree to an amendment to the PDA. A draft document has been prepared which amends the plan so that plot 8 remains in the Council's ownership and confirms that a sum of £2.5m will be transferred to GHA in July 2016 to offset the potential loss of profit generated by the site.

The Council has entered into a loan agreement with GHA for Grahame Park for £5m to assist with the infrastructure costs of Lanacre Avenue. A variation to the loan agreement has been drafted which will immediately write off £3.5m of the loan repayment.

In November 2015, the Assets, Regeneration and Growth (ARG) Committee agreed a £6m package of measures (i.e. £2.5m and £3.5m) to buy out GHA contractual interests in the site. All legal documentation has been agreed between the Council and GHA with signing conditional on FBC being approval by the Council.

5.8. 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.

⁷ Grahame Park Regeneration Update, Assets, Regeneration and Growth Committee, September 2014

5.9. Conclusion and next steps

This Commercial Case has indicated the procurement approach that Barnet has followed for the preferred option. The next step is for the contractor to submit a final tender and for LBB to enter into a final contract agreement.

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 identified in the Economic Case requires estimated build costs and capitalisable costs to total £48.3m, which will be amortised over 50 years. This will be funded through borrowing whilst revenue requirements will be contained within existing budgets. This business case assumes a 50 year loan to be repaid upon maturity, with an interest rate of 3.34%. The Council’s ‘Minimum Revenue Provision’⁸ 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	2015/16 – 2068/69 ⁹	Notes
One-off costs	- 10.5 m	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)	- £127.1 m	Capital build and borrowing costs, facilities management, rent and rates (see Appendix C: Detailed economic analysis for full detail)

Costs exclude VAT, as LBB recovers VAT. Costs include inflation¹⁰ 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 3¹¹ design, and implementation. These include contingency/ optimism bias of 2.5%.

6.3. Cost control in construction¹²

The cost management team will be tasked with producing a monthly cost report and cash flow, the format of which is to be agreed by Re. Cost information produced by LBB, Re and Galliford Try will be incorporated in summary into a report.

This monthly cost report will be used as a monitoring and reporting tool against which actual project costs and forecast expenditure will be compared. It will be included within the Monthly Status Report and tabled for information and discussion at Monthly Meetings with LBB.

⁸ 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.

⁹ September 2013 to August 2022, as per the Capita contract

¹⁰ Inflated in line with RICS PUBSEC Tender Price Index of Public Sector Building Non-Housing #903 Updated 16 Sept 2014

¹¹ RIBA Plan of Work 2013 (<http://www.ribaplanoofwork.com/About/Concept.aspx>)

¹² <http://www.designingbuildings.co.uk>

Re will be reporting on costs in accordance with the management approach detailed in Section 8 of this business case.

As the scheme progresses 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 £51.3m, over 50 years) will be funded through borrowing and revenue requirements will be contained within existing budgets.

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

Over a 10 year period to 2026, Option 1 will deliver cumulative running cost savings of £3.0m. In terms of cash flow, following the move to Colindale in September 2018 and as NLBP Unit 2 and 4 leases expire, Option 1 begins to provide running cost savings against the Baseline (Post Consolidation) from 2019/20.

Table 3: Option 1 savings comparison to Baseline (Post Consolidation)

Financial implications from 2015/16 to 2025/26	Baseline (Post Consolidation)	Option 1
One-off costs	- 7.5 m	- 10.5 m
Recurrent net costs (including capital borrowing)	- 49.3 m	- 46.4 m
Net recurrent saving against Baseline (Post Consolidation)		3.0 m

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 contributes to Medium Term Financial Savings when compared against the Baseline (Post Consolidation).

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. Consolidation of estate undertaken

As previously mentioned, a consolidation of the estate was successfully delivered in October 2015. In total ~2,200 members of staff and service partners underwent office moves; decanting from NLBP Unit 4 (First and Second Floor) and moving into NLBP Unit 2 and Barnet House. In advance of the move, refurbishment of office space at Barnet House and NLBP Unit 4 took place which maximised the use of existing floor space. A mixture of new and existing furniture was utilised to fit out the buildings. Ultimately, delivering the consolidation programme enabled LBB to return 87,000 sq ft of floor space back to the landlord of NLPB.

A number of initiatives were introduced as part of the consolidation work to enable the reduction in office footprint, these included:

- Implementing a **hot desking ratio of 7:10**, supported by touchdown spaces for short periods of time and fixed desks where needed. Docking stations have been removed from all desks to offer greater flexibility. A further office utilisation study will be commissioned shortly to review the current utilisation of the recently reduced floor area to test the appropriate ratio of desks to staff within the new Colindale offices.
- Significantly **reducing the amount of storage** available in the building through running campaigns to reduce clutter. LBB has procured an offsite storage facility to hold the majority of Council files with the option of a 3 hour emergency retrieval service.
- **Maximising the use of meeting space** by increasing the number of break out spaces, reducing the number of meeting rooms and introducing a booking system for all rooms. This is intended to actively promote using space more efficiently by matching the right space with the right type and size of meeting.
- Ensuring **all staff understand existing policies** that are central to a flexible working environment
- **Encouraging sustainable travel** to work. Following completion of the consolidation programme, the Council entered into a temporary agreement to pay for an additional 108 spaces at NLBP. In total, this equates to a ratio of 1 space to 4 members staff. The current parking setup provides 240 parking spaces at NLBP as well as 298 spaces at Barnet House which includes 55 spaces at Athenaeum Road - an off-site location.

8.2. Colindale and Smarter Working Programme Board

Colindale and Smarter Working Programme Boards were set up in 2014 with strong representation from the Council services delivery units. Following feedback from the Smarter Working Board

members, a Smarter Working vision statement was agreed at the Smarter Working Board on 9th of December 2014.

Colindale and Smarter Working Programme Vision:

- **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

In 2015, overall governance across the Colindale and the Smarter Working Programme was tightened up with the creation of a single Colindale and Smarter Working Programme Board, which reports into the existing monthly Delivery Board, sponsored by the LBB Chief Operating Officer. In turn, the Delivery Board reports monthly to the Strategic Commissioning Board.

The programme structure is shown in the diagram below.

Figure 4: Colindale and Smarter Working Programme Structure

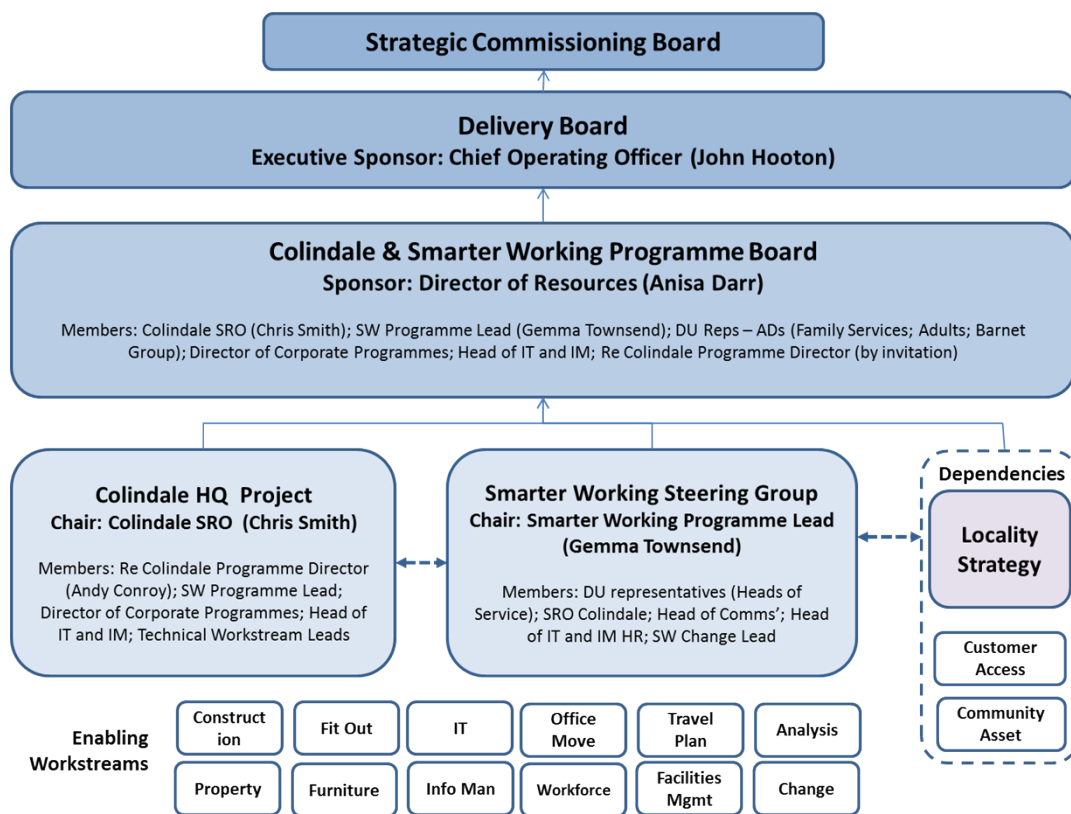


Table 6: Colindale and Smarter Working Programme Board

The membership of the Colindale and Smarter Working Programme Board is detailed below:

Name	Job title	Delivery Unit
Anisa Darr (Chair)	Director of Resources	Commissioning Group
James Mass	Assistant Director for Community and Wellbeing,	Adults and Communities
Troy Henshall	Chief Executive	Barnet Group
Clair Green	Assurance Assistant Director	Assurance
James Wills-Fleming	Director of Corporate Programmes	CSG
Chris Smith	Head of Estates	Commissioning Group
Katie Mayers	Head of Communications	Commissioning Group
Jenny Obee	Head of IT and Information Management	Commissioning Group
Elaine Tuck	Head of Service Commissioning and Business Improvement	Family Services
Gareth Newton-Williams	Programme Officer	CSG

In order to successfully deliver the Council’s vision for the Colindale and Smarter Working Programme, the following Critical Success Factors (CSFs) must be achieved.

Table 7: Colindale and Smarter Working Programme Critical Success Factors

Themes	Critical success factors
Efficiency	<ul style="list-style-type: none"> Delivers savings as outlined in FBC (due to be approved at Assets, Regeneration and Growth Committee in June 2016) Delivers non-financial benefits (as set out in the benefits section further in the document)
Deliverability	<ul style="list-style-type: none"> Delivered in agreed timescales, with minimal disruption to service delivery
Building	<ul style="list-style-type: none"> New building meets specification, time and budget commitments, within agreed tolerances
Ways of working	<ul style="list-style-type: none"> Delivers new ways of working as determined by the Smarter Working Steering Group Delivers key technology and Information Management changes required to enable Smarter Working Delivers effective change programme Supports delivery of non-financial benefits
Future proofing	<ul style="list-style-type: none"> Building designed to be adaptable, changes can be made at a later date to accommodate changes in working arrangements and building use
Locality working	<ul style="list-style-type: none"> Aligned with the Council’s Locality Strategy, new building in Colindale provides core office location Provides sufficient accommodation for staff
Customer Access	<ul style="list-style-type: none"> Aligned with the Council’s Customer Access Strategy, the new building in Colindale provides adequate customer access
Wider policies	<ul style="list-style-type: none"> Alignment with the Council’s corporate and strategic commitments

8.3. Locality Strategy

As a dependency of the Colindale and Smarter Working Programme, the Locality Strategy is defined as a workstream to recommend which services currently housed in Barnet House, NLBP Units 2 and 4 should move to Colindale, and which would be better located closer to the communities they serve.

These buildings used for locality working must:

- Put the Customer at the centre:** be in suitable locations in our communities, within a short distance of the customers we serve.
- Ensure that service requirements are met & staff preferences considered:** be sufficient and suitable for all the Council’s staff as well as our partners where possible, considering the new Colindale offices and additional premises.
- Aligns with Smarter Working:** aligns with agile/flexible working arrangements by providing choice over where we work while we reduce the costs of our estate.

Work has taken place to identify and assess options for locality working in Barnet which is summarised in the Locality Strategy submitted alongside this Full Business Case

8.4. Information Technology and Information Management Strategy

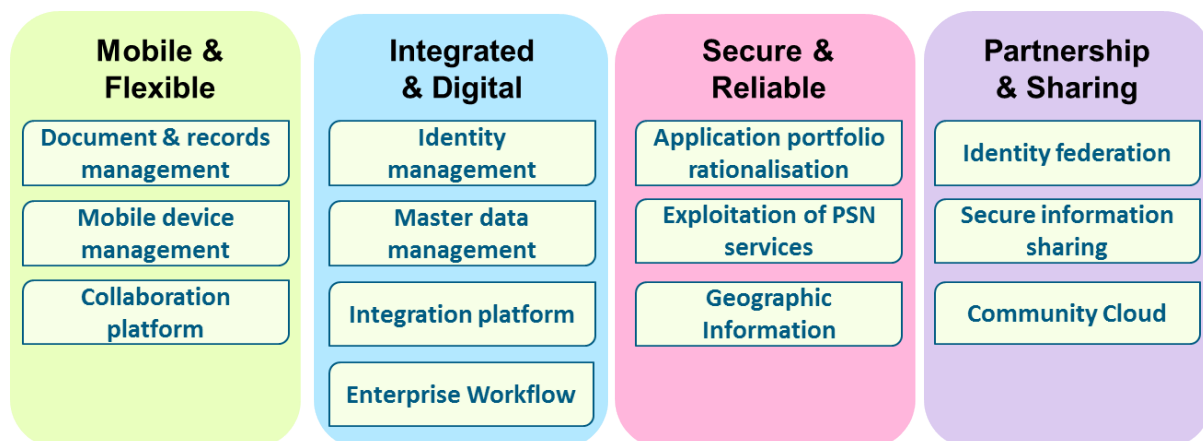
IT and Information Management are related disciplines. Information Management (IM) is concerned with supporting the delivery of information to the organisation to be used for business purposes, and with working with others to ensure this delivery – Information Technology (IT) is one of these partners, providing the technical environment for the provision of information to residents, Members and staff. This technical environment includes where information is stored, and how information is accessed, such as through laptops, tablets and phone devices.

The Council’s IT and IM Strategies are a key enabler for the Colindale and Smarter Working Programme, implementing flexible, and mobile working technology, processes and procedures.

The IT Strategy 2015-2020 is based on four strategic themes:

- *Mobile and Flexible:* staff are mobile and less dependent on offices while remaining connected with their teams, systems and information.
- *Integrated and Digital:* systems are integrated allowing enabling data to be stored, shared and consumed digitally and securely, to drive reliable, consistent and efficient processes.
- *Secure and Reliable:* a reliable and secure service that leverages existing investment, reduces duplication, and delivers what the business needs.
- *Partnership and Sharing:* platforms are shared and accessible through a variety of channels, enabling collaboration with residents, local businesses, partners and third parties.

In order to deliver the drivers and outcomes there are a number of specific core ICT components that need to be established either through adapting and enhancing existing applications within the LBB landscape or introducing new ones. The core components are:



It is particularly the *Mobile and Flexible* component which is an enabler for Colindale and Smarter Working, as it is in this component that the projects to implement collaboration technology, a “bring your own device” policy and document management will be introduced. The high-level roadmap for this work is as follows:

	Q1 16-17	Q2 16-17	Q3 16-17	Q4 16-17	
Collaboration technology					
Document management business case					
Mobile device management					

The IM Strategy 2016-2020 (currently in draft) supersedes the IM Strategy 2013-2016 and is driven by five framework elements:

- *Assurance and Management*: provision of advice, consultancy and assurance to commissioning, commissioned services, partnerships and delivery units on information management
- *Commissioning Support*: provision of a “value added” service to Commissioning, enabling the provision of good quality information, stored appropriately and accessed when required to support effective decision making
- *Information Architecture*: creation, implementation and enforcement of an information architecture methodology to ensure that a) information is classified in such a way that it is clear where it should be stored; b) information is labelled in such a way that it can be found; and c) information is structured in such a way that it can be effectively search for.
- *Proportionate Risk*: promotion of a proportionate, risk based approach to information security, information management and information rights
- *Transparency and Open Data*: continue to be seen as a leader in local government transparency

It is particularly the *Information Architecture* component which is an enabler for Colindale and Smarter Working, as it is this component which drives the implementation of document management (including the processes, procedures and management practices for the effective support of this technology) and the further reduction of paper (and other physical media) storage within the Council. The high-level roadmap for this work is as follows:

	Q3 16-17	Q4 16-17	Q1 17-18	Q2 17-18	Q3 17-18	Q4 17-18
Document management implementation (including processes & procedures & dealing with legacy info stores)						
Retention and						

disposal implementation						
Off-site archive management & on-going approach						
Digital and paper continuity plan						

8.5. Out of Scope

Technically, the scope of this programme only includes staff currently based at NLBP Unit 2, 4 and Barnet House. There are therefore a number of Council officers out of scope for this programme, these include staff based at depots, libraries, youth centres and schools. As the Locality Strategy progresses it is highly likely that some of the previously mentioned groups may need to be brought into the Colindale and Smarter Working Programme scope - as well as new workstreams to deliver on commitments that come out of the strategy itself. However, any changes to scope will be agreed by the Colindale and Smarter Working Programme Board. These will be managed in a consistent and controlled way, taking account of any impact on programme constraints.

8.6. Constraints

The success of the programme is dependent upon the management of key constraints through the formal programme governance. The perceived constraints for the Colindale and Smarter Working Programme are:

Time – some financial benefits may be unachievable if not delivered within the relevant timescales, for example exiting an existing leases. Work to progress individual strands will support in establishing key time constraints, which will then be reflected in the programme plan.

Cost and resources – the ability to deliver a fully functioning flexible workforce that is ready to adopt Smarter Working ways of working will be highly dependent on costs and resources allocated to many of the key workstreams. In particular technology and information management through the IT Strategy budget and any budget associated with commitments made in the Information Management Strategy 2016-2020, which is currently being developed.

Building capacities – the Colindale Office capacity is limited, to 1,200 staff working onsite. Other sites that may be used following the outcome of the Locality strategy will also be constrained by size and capacity.

Organisational culture and willingness to adapt – the extent to which Smarter Working procedures can be implemented will come down to the buy-in from senior management and an effective change model and communication strategy.

8.7. Dependencies

The Colindale and Smarter Working Programme is dependent upon the management of key processes and services within and outside the control of the Council.

The programme manager will manage programme dependencies and inter-dependencies, escalating concerns as appropriate through the Colindale and Smarter Working Programme Board. Key project dependencies will be monitored on a monthly basis via each project highlight report and any risks or issues that relate to a dependency will be escalated via the project and programme highlight reports. Programme dependencies will be recorded in a programme wide dependency log, programme inter-dependencies will also be monitored via the inter-dependency log and both will be reported in the programme highlight report. Project-specific dependencies and specific programme interdependencies (with RAG ratings indicating status) will be recorded and monitored in the project and programme logs.

8.8. Milestone Plan

The below sets out the initial programme milestones to deliver the Colindale and Smarter Working Programme. At this stage, these milestones are indicative of the planned delivery dates for the range of workstreams. The plan will be iteratively reviewed by the programme board as work progresses.

Figure 2: Colindale and Smarter Working Programme milestones plan

Project	Key Programme Milestones	Planned Date
Programme Governance	DUB agree programme structure	2015 Completed
	Smarter Working Steering Group kick off	2016 Completed
	Colindale Project Board kick off (re-formed under new governance)	2016 Completed
	Colindale and Smarter Working Programme Board kick off	2016 Completed
	Finalise FBC	2016 Completed
	FBC to go to SCB and ACB	June 2016
	FBC to go to ARG for approval	July 2016
Analysis of business requirements	Agile Working Survey and vision setting	2014 Completed
	Building design scoping	2015 Completed
	Review of AIP implementation with staff	July 2016
	Service requirements engagement with DU	Started Jan 2016
	Deliver Locality Strategy	July 2016
	Develop locality plans	Dec 2016
	Implement locality plans	March 2018
Detailed review of user requirements	Dec 2016 – Jul 2018	
Construction	Designs Completed (Stage 3 / part Stage 4)	w/c 26th Feb 2016
	Revised Planning Application	2016 Completed
	LBB-GTC JCT D&B Contract Signed	30th June 2016
	Commence Site Works	29 th July 2016

Project	Key Programme Milestones	Planned Date
	Completion of Site Works (incl Cat A works)	July 2018
Property	Land (Deed of Variations) Signed	27th July 2016
Fit Out	Fit –out (Cat B Works) / IT / Final Commissioning	February – August 2018
Furniture	Furniture requirement defined	Dec 2017
IT	Hardwire/Wi-Fi requirements defined	Feb 16
	IT requirements clearly defined	Aug 2016
	IT phased roll out begins	Jan 2017
Info. management	Information management Strategy 2016-2020 agreed	Sept 2016
Office move	Move dates announced to staff	Jan 2018
	Commence Decant & Move Phase	September 2018
Workforce	HR strand kicked off	2016 Completed
	HR strategy agreed	Dec 2016
	Training programmes/materials begin	Oct 2017
	Smarter Working policies phased roll out to staff	Feb 2018
Travel planning	Travel planning kicked off	2016 Completed
	Travel plans communicated to staff	Jan 2017
FM	FM strand kicked off	July 2016
	FM requirements defined	Dec 2016
	Procurement of new arrangement commences	Jan 2017
Change management	Change and Communications Strategy	2016 Completed
	Staff communication begins	2016 Completed
	Targeted DU change plans agreed with DU	Nov 2016

8.9. Risks and issues

Risks and issues concerning the Colindale Delivery and Smarter Working Programmes are monitored and reported monthly at the Colindale and Smarter Working Programme Board. All risks and issues will be managed in accordance with the Council’s Risk Management Framework and Project Management Methodology and Toolkits.

Risk - assessments will be carried out as early as possible in the life cycle of the Colindale and Smarter Working Programme. The initial exercise will also confirm risk tolerances for escalation, to be agreed by the Colindale and Smarter Working Programme Board. The risk register will be shared as appropriate and signed off by the relevant board. Medium to high risks will be reported monthly at the Colindale and Smarter Working Programme Board and the board will agree any risks that require further escalation.

Issues - will be recorded using the Council’s Project Management Toolkit Issues Log. The Issues Log will be included in programme and project documentation and reported at the relevant board monthly. A detailed breakdown of the risks and issues log is made at Appendix G: Sample Smarter Working and Colindale risk log

8.10. Benefits realisation approach

The key benefits from this business case are as follows:

1. Deliver civic accommodation savings over the next 10 years to 2026
2. Provide modern, flexible office accommodation of 90,000 sq ft
3. To use the Civic Estate as a regeneration tool
4. To maximise the occupational use of the Civic Estate through smart working
5. To focus the Council’s facilities in a location which is accessible to the majority of users

A benefits register will be reviewed monthly and the results reported to the ACB throughout the development period. A recent high level benefits register is shown below.

Table 4: Benefits register

Benefit	Measure	Baseline Performance	Target	Measure Frequency
Realise significant savings in the cost of running the council estate, year on year until 2023.	Projected savings met year on year, until 2023.	Use existing estate running projected costs outlined in the FBC.	Deliver civic accommodation savings over the next 10 years to 2026	Monthly, during lifespan of programme and then quarterly
Better accommodation for staff that supports efficient use of the estate and promotes Smarter Working	Accommodation delivered, which meets design specifications. Desking ratio targets. Accommodation footprint (total size).	Current accommodation across Barnet House, NLBP2 and 4. Barnet House recently undergone necessary modernisation, but many aspects still outdated and non-flexible. Office accommodation across existing sites, provides some flexibility. Many (not all) teams 7:10 ratio after initial introduction of Smarter Working	Provide modern, flexible office accommodation of 90,000 sq ft in Colindale Provide technology solutions within the building to support Smarter Working. Provide a range of workstation set-ups and meeting spaces. Maximum 7:10 desk ratio across the whole estate Reduction in overall footprint	Monthly until programme delivered.

Benefit	Measure	Baseline Performance	Target	Measure Frequency
		practises. An office utilisation study will baseline the current ratios and test the appropriate target ratio for Colindale.		
Staff able to spend more time on front-line services through introduction of Smarter Working practises and locality working	Resident satisfaction surveys. Service specific user satisfaction surveys. Staff satisfaction in staff survey. Caseload data by service. Service specific KPIs.	Use existing: Resident and service user satisfaction surveys. Staff survey. Caseload data. Service specific KPIs.	Users are happier with the service provided. Staff report that their workloads are manageable. More clients are met and cases dealt with.	Quarterly in lead up to changes and beyond. (Some measures are recorded annually)
Staff feel happy working for Barnet Council and partners, positive impact on recruitment and service delivery	Staff satisfaction in staff survey. Number of applications per post advertised, in hard to fill posts Service delivery KPIs	Engagement Index score in staff survey 2015 – 49% Feedback from staff user groups. Exit interview data. Data on hard to recruit groups such as Social Workers	Improvements in the Engagement Index score Increased recruitment and retention of hard to reach staff.	Quarterly in lead up to changes and beyond. (Some measures are recorded annually)
Increase partnership working, resulting in better outcomes for residents and specific users	Number of co-located teams. KPIs where teams are co-located.	Outline of existing partnership and arrangements and co-located teams and enabling factors to support ways to working. Existing KPIs by service area	Increases Partnership working and co-location across all sectors Number of enabling factors introduced to support co-location and partnership working	Quarterly in lead up to changes and beyond.
New site in Colindale supports in the	Building usage measures put in place to measure access to services	No existing baseline	Building is well used by local community both in terms of	Quarterly following opening of new site

Benefit	Measure	Baseline Performance	Target	Measure Frequency
regeneration of the area	and use of building by community		accessing available services and using the building for community based activities	

8.11. Change management and communications approach

Reducing the estate footprint by 49% and moving to Colindale will require a major shift in staff behaviour, supported by new workforce arrangements and supporting IT. It is recognised that the ‘people’ element of the Smarter Working Programme is a key factor in achieving this vision set out above.

The communication plan will be led by the Smarter Working Change Lead, who will work closely with the Council’s corporate communications team, using their established channels. The Change Lead will also work with an established set Change Managers and Change Champions (currently being established) to deliver targeted messaging within Delivery Units. Some resource will focus on external audiences, and will primarily be designed to inform the stakeholders.

All programme communications will be approved by the appointed Change Manager, relevant Project Manager and signed-off by the Programme Lead and/or Programme Sponsor. The programme will use existing processes for sign-off and dissemination, namely the Council’s corporate sign-off protocols and dissemination practises.

Channels for internal communication and engagement:

- written briefings, verbal briefings, 1:1 meetings
- status reports and progress updates e.g. SCB, project, committee
- project meetings
- emails and messages in email signatures
- open days and events management / team meetings
- management and team meetings
- intranet, intranet news, feature page
- First Team newsletter, Smarter Working Newsletter, CSG and Re staff bulletins
- desktop promotion, Atrium plasma screens
- posters, leaflets, displays, banners
- face-to-face (drops in sessions, training, information stall in entrances, staff forums)
- FAQs, surveys, focus groups

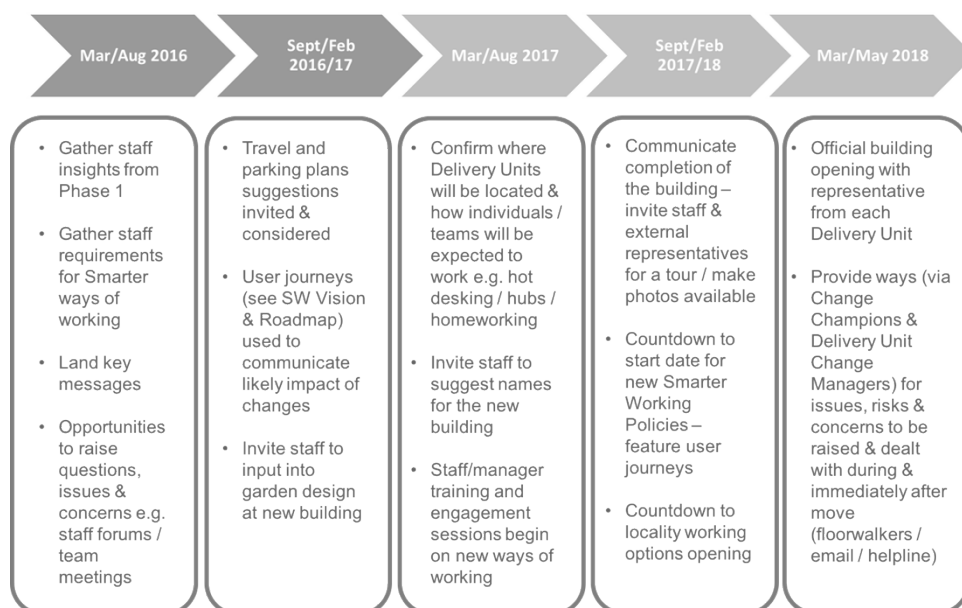
Channels for external communication and engagement:

- Leaflets
- posters, including Barnet owned 6 sheet sites and bus stops sites around the borough

- press - advertising / press releases in local press and newsletters
- internet - including Barnet Online and partner organisation's websites
- Barnet First magazine
- partner organisations newsletters and magazines
- pull up display banners / leaflets
- events / conferences

The below figure summarises the proposed staff engagement plan.

Figure 3: Staff engagement plan



8.12. 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. post full planning permission and pre 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

8.13. 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.

9. Appendix A: Long list of options considered in the SOC

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
Retain Barnet House and build another	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
New office accommodation on the Grahame Park site in Colindale	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
Build new office accommodation elsewhere	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
Debt and asset sale	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
Operate a full 'commissioning' model	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
Consolidate into all current surplus accommodation	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
'Hub and spoke'	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.

10. Appendix B: Site location and access¹³

The proposed development site comprises a vacant 0.4 ha plot situated within Grahame Park in the Colindale Ward of the London Borough of Barnet. It is located along a re-aligned Lanacre Avenue approximately 50 metres to the north of its junction with Grahame Park Way. The site falls within the Grahame Park Masterplan, which was granted planning consent in 2007. The proposed new Council office building (Class B1) will be on land known as Plot 8, Lanacre Avenue and was approved for planning permission in October 2015.



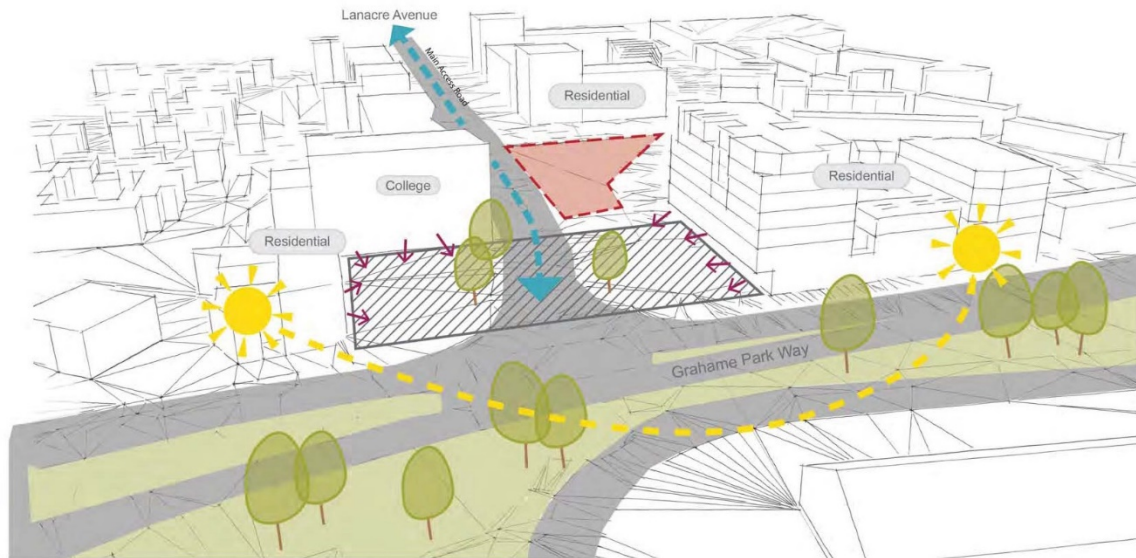
As part of the Grahame Park Estate masterplan the proposed office block would form one of a number of mixed use new buildings around the emerging 'Southern Square' key gateway. It would occupy a tight and prominent site between the new Southern Square adjacent to the new College and large residential/ commercial block with residential uses to the rear. The proposed building would make provision for drop-off areas, on-site parking for 5 disabled spaces, cycle parking and refuse/recycling facilities. Given the space constraints on-site provision would be made for approximately 192 car parking spaces off-site in a location nearby at the RAF Museum further north along Grahame Park Way.

The site sits on Southern Square, Plot A1 of the previously approved Graham Park Masterplan. Plot A1 is located in Phase 1B of the Masterplan development. The site is bounded by Grahame Park Way to the east and south and by Lanacre Avenue to the west. The site extends as far as Hundred Acre to the northwest and Lower Strand to the northeast. The application site for Phase 1B is bounded by residential properties to the west, (including Arran Court and Deal Court), Grahame Park Way to the

¹³ Stage 3 Report, Re

south and east and Little Strand to the north. The site is at the gateway to Grahame Park from the south and is close to Colindale Tube Station.

The proposed development is well located within short walking distance of several large areas of greenspace.



-  Proposed Development Site
-  Public Square
-  Main Access Route
-  Active Frontage

10.1. Access and Transport Network

Colindale will experience a significant increase in resident population and travel demand over the AAP (Area Action Planning) period. The proposals for transport and movement aim to encourage use of sustainable travel modes through the provision of better and safer pedestrian and cycle permeability, connections and facilities; opening up the area for more frequent bus services reaching more destinations, and using travel plans for developments to encourage use of more sustainable modes. The AAP therefore proposes a balanced provision across all modes of transport to ensure that future travel demands can be catered for and that real travel choice is provided within a sustainable transport framework. The proposals establish:

- How new and existing routes within the Colindale area integrate with the existing infrastructure;
- The provision made for all forms of movement, but in particular walking, cycling and public transport;
- How the proposed development can benefit Colindale as a whole, including existing areas, by improving connections such as providing new bus routes and more direct and safe pedestrian and cycle routes to, from and between the Corridors of Change and particularly the new neighbourhood centre;

- How movement will be provided for during each phase of the proposed development.

Existing Public Transport

An off-site car park will be provided on Grahame Park Way to the north of the RAF Museum building and to the south of Avion Crescent that includes the construction of a new access on Grahame Park Way. Once complete the off-site car park will accommodate 192 spaces. This will be allocated to pool cars, car sharers and those whose journey is not able to be made by sustainable transport mode due to accessibility or a carer or have an electric vehicle. The planning application didn't include the provision of the off-site car park and the delivery of this will be secured via planning condition for the proposed office. It is proposed that 5 on site car parking spaces for disabled use are provided for the B1 Office use.

A Cycle Environment Review System (CERS) audit has been undertaken for this development. The findings were generally neutral, with 17 of the 67 items being classified as 'green' (positive overall), 50 items were allocated an 'amber' (average overall). An overall strategy for signage, measures to improve cycle priority and effective width and inclusion of cycle parking will improve the cycle environment. The proposed development will provide secure parking for approximately 85 cycles and 11 short term cycle spaces which exceeds the London Plan 2015 cycle parking requirements.

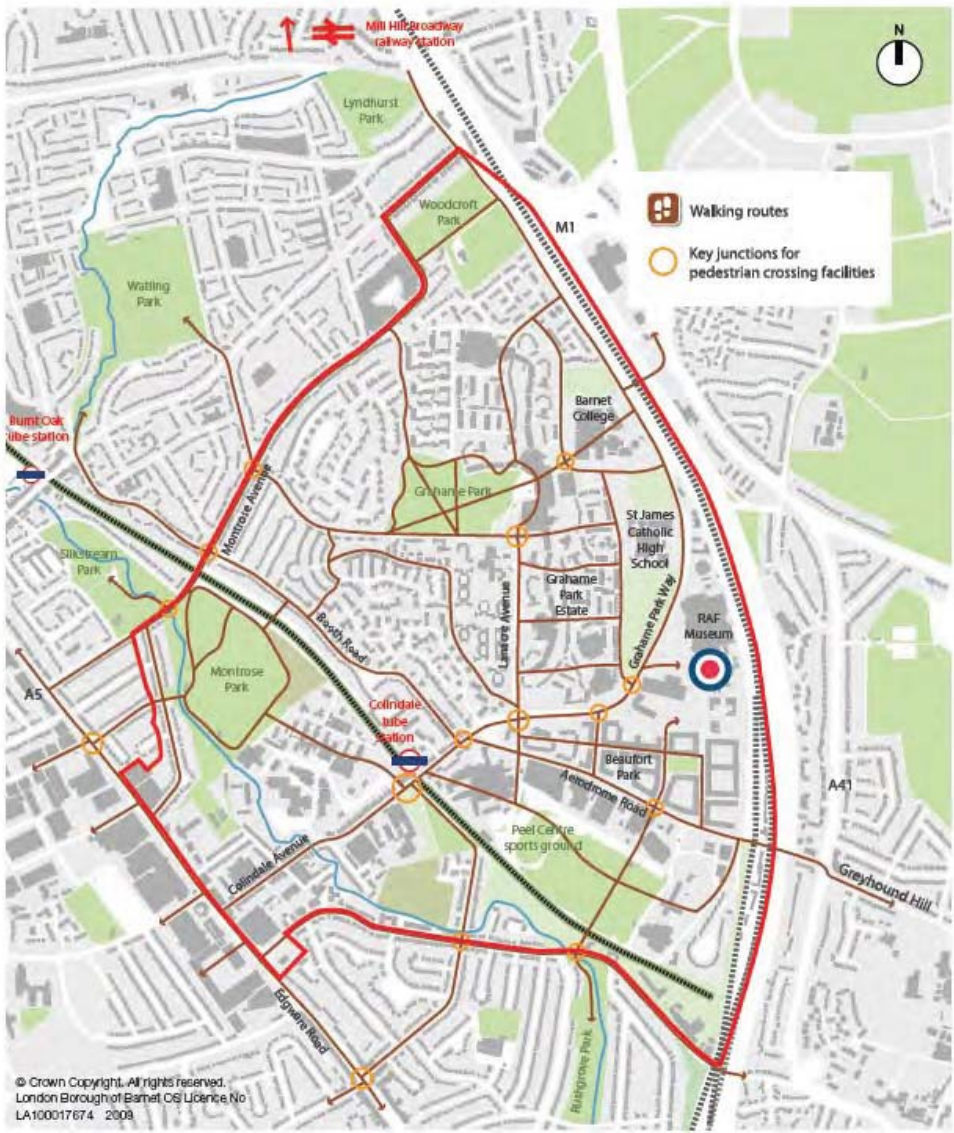
The Public Transport Accessibility Level (PTAL) was downloaded from TfL's PTAL website. Based on this system, the proposed development site has an AI of 13.19 and a rating of 3, 'moderate'. The Public Transport Accessibility Levels (PTAL) is graded from 1 for poor accessibility to 5/6 for excellent accessibility.

The site is served by London Underground and London Bus services. The nearest mainline railway station 2.5km away served by local buses. A summary of the local public transport services follows.

The nearest underground station is Colindale Station, with this located approximately 400 metres from the site. Colindale Station, in Travelcard Zone 4, is serviced by the Northern Line (Edgware Branch) which provides connections to Burnt Oak and Edgware to the north and Brent Cross, Golders Green and then onto Central London to the south. Typical destinations within easy reach to the south include Camden Town (20 minutes), Oxford Street (29 minutes) Trafalgar Square (31 minutes) and the South Bank (34 minutes). The Northern Line also provides direct access to Waterloo and Kings Cross St. Pancras stations which provide connections to both national and international rail networks

The development is served by bus routes 113, 186, 204, 303, 324, and N5 with bus stops located in the close vicinity.

The proposed development is situated almost mid-way between two mainline railway stations, Mill Hill Broadway to the north, which is approximately 2.5kms away and Hendon, approximately 2.9kms away. Both Stations provide direction connections to London St. Pancras every 15 minutes. Services in a northerly direction connect to Luton, Bedford and beyond. Both stations can be accessed via the local bus network using bus 186 for Mill Hill Broadway and, buses 204 and 183 for Hendon with services providing connections to those wishing to travel by train.



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 estate consolidation 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 54 years (2015/16 – 2068/69) with costs / savings discounted over those periods at 3.5%;
- Contingency for build risk is included at 2.5% within capital build estimates provided by Re;
- All values are stated at current prices.
- Current income levels remain constant after the Colindale move

11.2. Estate consolidation review

As previously mentioned, a consolidation of the estate has already been delivered - after June 2015 and consequently the most up-to-date costs and benefits associated with the consolidation were not captured in the OBC report. In order to retrospectively review the costs and benefits of delivering the consolidation programme the Baseline (Post Consolidation) is compared against Baseline (Pre Consolidation). This is summarised below.

- **Baseline (Pre Consolidation):** Commencing September 2013, leases at both NLBP sites and Barnet House totalling 262,000 sq ft
 - NLBP Unit 2: 178,000 sq ft
 - NLBP Unit 4: 43,000 sq ft
 - Barnet House: 41,000 sq ft
- **Baseline (Post Consolidation):** Commencing October 2015, continuing with today's status quo setup. Leases at both NLBP sites and Barnet House totalling 175,000 sq ft
 - NLBP Unit 2: 70,000 sq ft
 - NLBP Unit 4: 29,000 sq ft
 - Barnet House: 76,000 sq ft

Qualitative appraisal

Through implementing the Baseline (Post Consolidation) option in October 2015, the Council has reduced its accommodation footprint by 33%, delivered savings towards the MTFs, increased utilisation, made initial steps towards Smarter Working and supported integrated working through the collocating of services. However, the estate still remains split over a number of sites and this programme of work did not contribute to the Council's regeneration plans.

Quantitative appraisal

In delivering the Baseline (Post Consolidation), £7.3m has been spent to date in delivery costs, in addition to £8.9m future one-off refurbishment and dilapidation costs. This option represents an £85.1m NPV saving against the Baseline (Pre Consolidation) over the next 54 years.

Analysis over 54 years (Sep 2013 to 2067)	Baseline (Pre Consolidation)	Baseline (Post Consolidation)
One-off capital costs	- 16.2 m	- 7.5 m
Estates running costs (net of rental income)	- 450.5 m	- 259.3 m
Net total costs / savings of Baseline (Pre Consolidation)	- 466.7 m	
Net discounted total costs / savings of Baseline (Pre Consolidation)	- 219.0 m	
Running costs savings against Baseline (Pre Consolidation)		450.5 m
Net total costs / savings against Baseline (Pre Consolidation)		183.7 m
Net discounted total costs / savings against Baseline (Pre Consolidation)		85.1 m

11.3. Baseline (Post Consolidation) appraisal

Total one-off costs are as follows:

- Barnet House:
 - Required refurbishment: £5.5m
 - End of lease dilapidation: £1.2m
- NLBP Unit 2:
 - Required refurbishment: £0.0m
 - End of lease dilapidation: £0.5m
- NLBP Unit 4:
 - Required refurbishment: £0.0m
 - End of lease dilapidation: £0.2m

10 year annual recurrent costs are as follows:

Option:	Baseline Post Consolidation										
	Year Year end	2015/16 Mar-16	2016/17 Mar-17	2017/18 Mar-18	2018/19 Mar-19	2019/20 Mar-20	2020/21 Mar-21	2021/22 Mar-22	2022/23 Mar-23	2023/24 Mar-24	2024/25 Mar-25
Length of analysis (years):	54										
Barnet House - from Oct-15 (Post Consolidation)											
Rent	- 372,500	- 745,000	- 745,000	- 745,000	- 745,000	- 745,000	- 745,000	- 745,000	- 745,000	- 745,000	- 745,000
Service charge	-	-	-	-	-	-	-	-	-	-	-
Business rates	- 178,210	- 356,420	- 356,420	- 356,420	- 356,420	- 356,420	- 356,420	- 356,420	- 356,420	- 356,420	- 356,420
FM running costs	- 279,806	- 559,612	- 559,612	- 559,612	- 559,612	- 559,612	- 559,612	- 559,612	- 559,612	- 559,612	- 559,612
Additional FM costs due to increased occupancy	- 144,217	- 288,435	- 288,435	- 288,435	- 288,435	- 288,435	- 288,435	- 288,435	- 288,435	- 288,435	- 288,435
NLBP 2 - from Oct 2015 (Post Consolidation)											
Rent	- 359,140	- 718,279	- 924,600	- 1,308,420	- 1,308,420	- 1,308,420	- 1,308,420	- 1,308,420	- 1,308,420	- 1,308,420	- 1,308,420
Service charge	- 127,536	- 255,071	- 334,814	- 414,558	- 414,558	- 414,558	- 414,558	- 414,558	- 414,558	- 414,558	- 414,558
Business rates	- 141,815	- 283,630	- 346,129	- 408,628	- 408,628	- 408,628	- 408,628	- 408,628	- 408,628	- 408,628	- 408,628
FM running costs	- 255,691	- 511,381	- 671,255	- 831,129	- 831,129	- 831,129	- 831,129	- 831,129	- 831,129	- 831,129	- 831,129
NLBP car parking	- 63,000	- 63,000	- 63,000	- 63,000	- 63,000	- 63,000	- 63,000	- 63,000	- 63,000	- 63,000	- 63,000
NLBP 4 - from Oct-15 (Post Consolidation)											
Rent	- 342,500	- 685,000	- 685,000	- 685,000	- 685,000	- 685,000	- 685,000	- 685,000	- 685,000	- 685,000	- 685,000
Service charge	- 91,122	- 182,244	- 182,244	- 182,244	- 182,244	- 182,244	- 182,244	- 182,244	- 182,244	- 182,244	- 182,244
Business rates	- 82,468	- 164,937	- 164,937	- 164,937	- 164,937	- 164,937	- 164,937	- 164,937	- 164,937	- 164,937	- 164,937
FM running costs	- 98,931	- 197,862	- 197,862	- 197,862	- 197,862	- 197,862	- 197,862	- 197,862	- 197,862	- 197,862	- 197,862
Post Consolidation income											
Barnet Council (including any sub-lease or licence arrangements with 3rd party)	10,200	20,400	20,400	20,400	20,400	20,400	20,400	20,400	20,400	20,400	20,400
Customer & Support Group	-	-	-	-	-	-	-	-	-	-	-
Re	252,564	505,128	505,128	505,128	505,128	505,128	505,128	505,128	505,128	505,128	505,128
Barnet Homes - Rent	115,475	230,950	230,950	230,950	230,950	230,950	230,950	230,950	230,950	230,950	230,950
Barnet Homes - Service Charge	167,509	335,018	335,018	335,018	335,018	335,018	335,018	335,018	335,018	335,018	335,018
CCG	91,390	182,780	182,780	182,780	182,780	182,780	182,780	182,780	182,780	182,780	182,780
Total Buildings Related Running Costs	- 259,269,306	- 1,899,798	- 3,736,595	- 4,245,032	- 4,930,968	- 4,930,968	- 4,930,968	- 4,930,968	- 4,930,968	- 4,930,968	- 4,930,968

11.4. Option 1

Total one-off costs are as follows:

Total: £10.5m

- Barnet House:
 - Required refurbishment: £5.5m
- Colindale Fit-Out costs:
 - Cat B Fit-Out costs: £3.0m
 - Cat B Fit-Out feeds: £0.3m
- Colindale Equipment costs:
 - IT equipment: £0.9m
 - AV equipment: £0.3m
 - Additional furniture: £0.2m
- Transition costs:
 - Move management: £0.2m
 - Decant & move: £0.1m

10 year annual recurrent costs are as follows:

Option:	Option 1											
	Length of analysis (years):	Year end	Start: Oct-15			Colindale Jul-18						
			2015/16 Mar-16	2016/17 Mar-17	2017/18 Mar-18	2018/19 Mar-19	2019/20 Mar-20	2020/21 Mar-21	2021/22 Mar-22	2022/23 Mar-23	2023/24 Mar-24	2024/25 Mar-25
	54	1	2	3	4	5	6	7	8	9	10	
NLBP 2 - from Oct 2015 (Option 1)												
Rent	-	359,140	-	718,279	-	924,600	-	1,308,420	-	436,140	-	-
Service charge	-	127,536	-	255,071	-	334,814	-	414,558	-	138,186	-	-
Business rates	-	141,815	-	283,630	-	346,129	-	408,628	-	136,209	-	-
FM running costs	-	255,691	-	511,381	-	671,255	-	831,129	-	277,043	-	-
NLBP car parking	-	63,000	-	63,000	-	63,000	-	47,250	-	-	-	-
NLBP 4 - from Oct-15 (Option 1)												
Rent	-	91,122	-	182,244	-	182,244	-	379,209	-	-	-	-
Service charge	-	82,468	-	164,937	-	164,937	-	335,838	-	-	-	-
Business rates	-	98,931	-	197,862	-	197,862	-	411,708	-	-	-	-
FM running costs	-	-	-	-	-	-	-	-	-	-	-	-
Colindale (Option 1)												
Capital build cost + interest	-	-	-	338,081	-	843,644	-	2,008,319	-	2,008,319	-	2,122,337
Lifecycle costs	-	-	-	-	-	-	-	37,500	-	50,000	-	50,000
Business rates	-	-	-	-	-	-	-	423,619	-	564,825	-	564,825
FM running costs	-	-	-	-	-	-	-	493,500	-	658,000	-	658,000
Car Parking	-	-	-	-	-	-	-	184,000	-	184,000	-	184,000
Option 1 income												
Barnet Council (including any sub-lease or licence arrangements with 3rd party Customer & Support Group)	-	10,200	-	20,400	-	20,400	-	20,400	-	20,400	-	20,400
Re	-	252,564	-	505,128	-	505,128	-	505,128	-	505,128	-	505,128
Barnet Homes - Rent	-	115,475	-	230,950	-	230,950	-	230,950	-	230,950	-	230,950
Barnet Homes - Service Charge	-	167,509	-	335,018	-	335,018	-	335,018	-	335,018	-	335,018
CCG	-	91,390	-	182,780	-	182,780	-	182,780	-	182,780	-	182,780
Total Buildings Related Running Costs	-	127,122,819	-	1,557,298	-	3,389,676	-	4,403,676	-	6,820,251	-	4,809,708
								4,254,354		4,242,571		4,215,317
										4,188,063		4,160,809

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 Contract¹⁴.

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;

¹⁴ <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: Stage 4 design

13.1. Building design

The proposals for the site have been developed by the client and design team to promote a cohesive sense of place and reinforce local identity. The proposals for the site have been developed in relation to the Graham Park Masterplan and national, regional and local planning policies and more specific sustainability and accessibility guidance including:

- Colindale Area Action Plan
- Barnet's Local Plan (Core Strategy) Development Plan Document, September 2012
- Barnet's Local Plan (Development Management Policies), Development Plan Document, September 2012
- 'One Barnet' Sustainable Community Strategy 2010-20a
- National Planning Policy Framework
- The London Plan 2011 - Sustainable Design and Construction (Supplementary Guidance) 2014

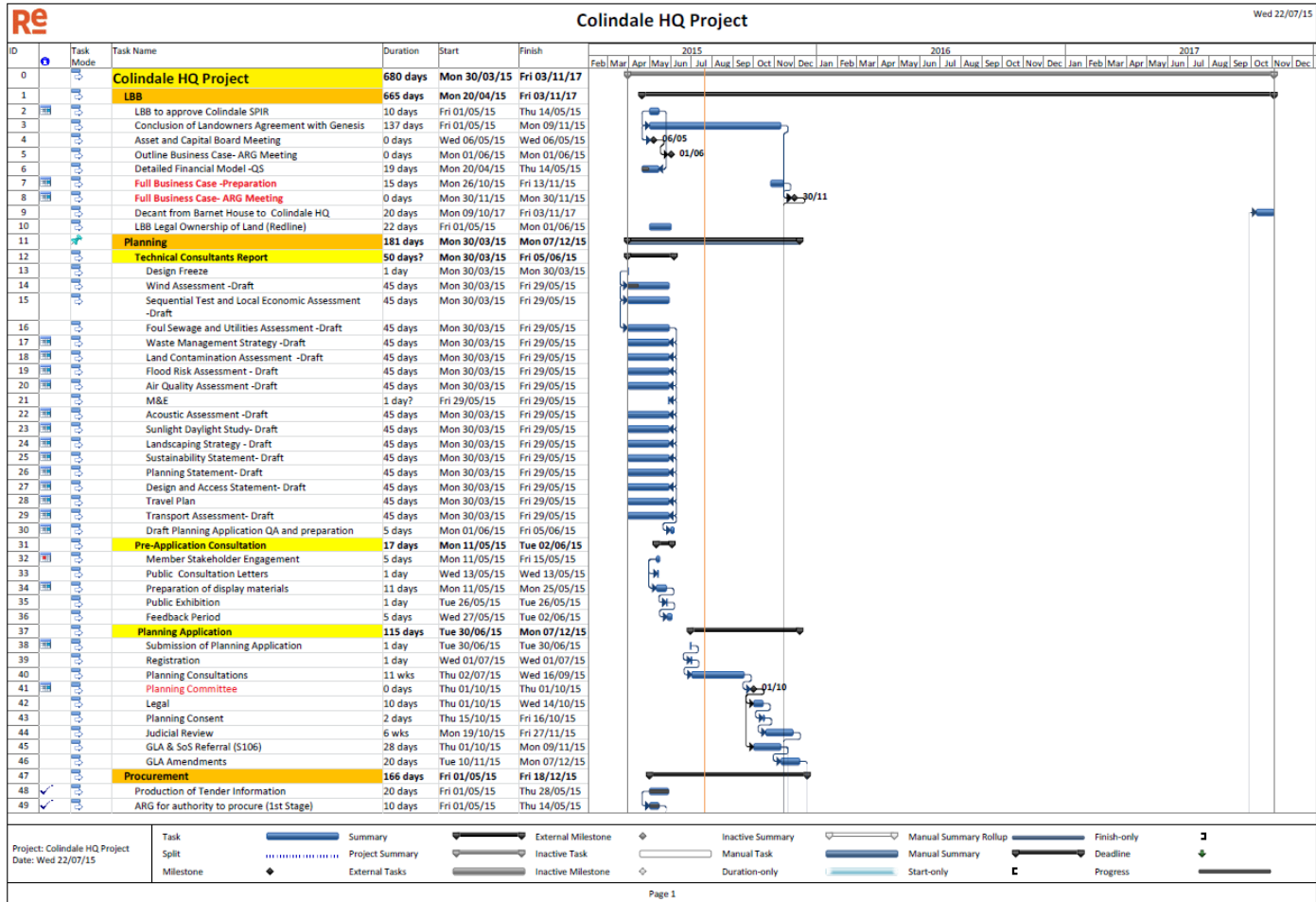
13.2. Environmental impact

The building fabric and building services, has been developed to comply with the requirements of Part 'L2A' 2013 of the Building Regulations and the GLA – London Plan 2015. The approach of the development is to embed sustainability into the heart of the design from the outset and it also takes into account the relevant LBB policies and strategies.

The development will seek to consider all aspects of sustainable development, including social and economic impacts. The development will minimise impacts on the environment through a range of measures such as:

- energy efficient design
- low water consuming sanitary ware
- provision of recyclable waste storage
- minimised waste during construction
- protection of site ecology and enhanced habitats
- Improved access to public transport
- provision of trickle charge points for electric vehicles
- sustainable surface water attenuation
- the use of low embodied impact materials

14. Appendix F: Colindale programme plan



15. Appendix G: Sample Smarter Working and Colindale risk log

Ref	Risk Type	Risk Description	Date Raised	Action	Current Status	Cost Impact	Closure Date	Closing Authority
Re-021	Project management	Site constraints affect storage, parking, site accommodation and welfare facilities	May 2015	Main contractor (MC) may need to seek additional off site facilities for their use. An option would be for the MC to enter into an early agreement directly with the RAF to use the proposed car park for LBB. The RAF have agreed that their site can be used as a holding area, however, they are asking excessive licence fees from the MC.	Open	TBC		

16. Appendix H: Benefits realisation templates

Benefit	Measure	Baseline performance	Target	Measure Frequency	Owner
Better accommodation for staff that supports efficient use of the estate and promotes Smarter Working	<p>Accommodation delivered, which meets design specifications.</p> <p>Desking ratio targets.</p> <p>Accommodation footprint (total size).</p> <p>Staff survey results.</p> <p>Fewer reports of problems to FM.</p> <p>Feedback from staff on how engaged they felt in the design of the building.</p>	<p>Current accommodation across Barnet House, NLBP2 and 4.</p> <p>Barnet House recently undergone necessary modernisation, but many aspects still outdated and non-flexible.</p> <p>Office accommodation across existing sites, provides some flexibility.</p> <p>Many (not all) teams 7:10 ratio after initial introduction of Smarter Working practises. An office utilisation study will baseline the actual current</p>	<p>Provide modern, flexible office accommodation of 90,000 sq ft in Colindale</p> <p>Provide technology solutions within the building to support Smarter Working.</p> <p>Provide a range of workstation set-ups and meeting spaces.</p> <p>Maximum 7:10 desk ratio across the whole estate</p> <p>Reduction in overall footprint.</p> <p>Exposure to daylight in meeting spaces.</p> <p>Climate control.</p> <p>Better quality provision of toilet and wash facilities.</p> <p>More reliable building.</p> <p>Places to eat and socialise.</p>	Monthly until programme delivered.	Chris Smith

Benefit	Measure	Baseline performance	Target	Measure Frequency	Owner
		ratios and test the target ratio for Colindale.	Welcoming environment. Outsides spaces used regularly by staff.		
Staff able to spend more time on front-line services through introduction of Smarter Working practises and locality working	Resident satisfaction surveys. Service specific user satisfaction surveys. Staff satisfaction in staff survey. Caseload data by service. Service specific KPIs.	Use existing: Resident and service user satisfaction surveys. Staff survey. Caseload data. Service specific KPIs.	Users are happier with the service provided. Staff report that their workloads are manageable. In some specific services more clients are met and cases dealt with. Enhanced quality of work.	Quarterly in lead up to changes and beyond. (Some measures are recorded annually)	Jamie Masraff
Staff feel happy working for Barnet Council and partners, positive impact on recruitment and service delivery	Staff satisfaction in staff survey. Number of applications per post advertised, in hard to fill posts. Service delivery KPIs. Increased proportion of staff recruited from	Engagement Index score in staff survey 2015 – 49% Feedback from staff user groups. Exit interview data. Data on hard to recruit groups such as Social	Improvements in the Engagement Index score Increased recruitment and retention of hard to reach staff. Enhanced skill base in the area (e.g. residents working for the council).	Quarterly in lead up to changes and beyond. (Some measures are recorded annually)	Liz Hammond

Benefit	Measure	Baseline performance	Target	Measure Frequency	Owner
	within the borough.	Workers			
Increased partnership working, resulting in better outcomes for residents and specific users	<p>Number of co-located teams.</p> <p>KPIs where teams are co-located.</p>	<p>Outline of existing partnership and arrangements and co-located teams and enabling factors to support ways to working.</p> <p>Existing KPIs by service area.</p>	<p>Increases Partnership working and co-location across all sectors.</p> <p>Number of enabling factors introduced to support co-location and partnership working.</p>	Quarterly in lead up to changes and beyond.	Anisa Darr

17. Appendix I: Planning permission