

<p style="text-align: center;"><u>COMMITTEE</u> SPECIAL CABINET RESOURCES</p>
<p style="text-align: center;">DATE AND TIME THURSDAY, 28 JULY 2005 AT 6.00 PM</p>
<p style="text-align: center;"><u>VENUE</u> THE TOWN HALL, THE BURROUGHS, HENDON, NW4 4BG</p>
<p style="text-align: center;">PLEASE NOTE TIME OF MEETING</p>

TO: MEMBERS OF THE CABINET RESOURCES COMMITTEE (Quorum 3)

Chairman: Councillor Brian Salinger

Councillors:

Anthony Finn Mike Freer John Marshall Vacancy

John Marr
Democratic Services Manager

Democratic Services contact:
Chidi Agada, tel: 020 8359 2037

Press and Public Relations contact:
Emer Coleman, tel: 020 8359 7794

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ORDER OF BUSINESS

Item No.	Title of Report	Page Nos.
1.	ABSENCE OF MEMBERS	–
2.	DECLARATION OF MEMBERS' PERSONAL AND PREJUDICIAL INTERESTS	–
3.	<p>Item Referred from Cabinet Overview and Scrutiny Committee</p> <p>The Cabinet Overview and Scrutiny Committee at its meeting on 14 July 2005 referred back the report on Acquisition of a leasehold interest in land at Spur Road, Edgware, which had been considered by the Cabinet Resources Committee on 16 June 2005 for the following reason</p> <p><i>“in order to get more detailed financial information as there were concerns about the potential financial risk to the Council”.</i></p> <p>Reports of the Leader and Cabinet Member for Policy and Performance</p>	1 – 6
4.	Accommodation Strategy and Modernising Access to Services	7 – 15
5.	Interim Management of Cophall Stadium	16 - 19
6.	Hendon Leisure Centre – Capital Investment Programme	20 – 24
7.	ANY OTHER ITEMS THAT THE CHAIRMAN DECIDES ARE URGENT	
8.	<p>MOTION TO EXCLUDE THE PRESS AND PUBLIC:- That under Section 100A (4) of the Local Government Act 1972 the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraph 9 of Part 1 of Schedule 12A of the Act:</p> <p style="text-align: right;">Exemption category</p> <p>Report of the Leader and Cabinet Member for Policy and Performance</p>	
9.	Exempt information relating to item 3 in public session – Acquisition of a leasehold interest in land at Spur Road, Edgware	9 25 – 26
10.	Exempt information relating to item 4 in public session – Accommodation Strategy and Modernising Access to Services	7 & 9 27 - 28
11.	ANY OTHER EXEMPT ITEMS THAT THE CHAIRMAN DECIDES ARE URGENT	

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AGENDA ITEM: 3

Page nos. 1 - 6

Meeting	Cabinet Resources Committee
Date	16 June 2005
Subject	Acquisition of a leasehold interest in land at Spur Road, Edgware
Report of	Cabinet Members for Resources and Cabinet Member for Policy and Performance
Summary	To report the variations to the previously agreed terms for the acquisition of a land at Spur Road, Edgware from All Souls College to facilitate both the development of the Barnet City Academy and the Stonegrove and Spur Road housing estates regeneration scheme.

Officer Contributors	David Stephens, Chief Valuer Siobhan O'Donoghue, Principal Valuer,
Status (public or exempt)	Public (with separate exempt section)
Wards affected	Edgware
Enclosures	N/A
For decision by	Cabinet Resources Committee
Function of	Executive
Reason for urgency / exemption from call-in (if appropriate)	<i>Pursuant to an Agreement between the Barnet City Academy and the Council, the Barnet City Academy requires the lease of the All Souls land to be completed by 21 June. The proposals set out in this report do not alter the objectives originally approved by the Cabinet and the Cabinet Resources Committee, just the method and process for delivery.</i>

Contact for further information: Siobhan O'Donoghue, Property Services and Valuation – 020 8359 7359

1. RECOMMENDATIONS

- 1.1 That the securing of a grant of a long lease of the All Soul's College land in Spur Road, Edgware (Sites A and B shown on the attached Plan No.1) in favour of the Barnet City Academy upon the basis as set out in the report be approved and the appropriate Chief Officers be instructed to complete the transaction.**

2. RELEVANT PREVIOUS DECISIONS

- 2.1 Cabinet 29 March 2005 agreed that subject to the outcome of Section 10a consultation, consent from ODPM and achieving best consideration for the site, the Council agreed to the disposal of part of the island site on the Stonegrove/Spur Road estate to Family Housing Association to provide affordable housing with the remainder of the island site being offered to the open market for a scheme of housing for private sale.
- 2.2 Cabinet Resources 23 September 2004 agenda item 7 agreed for officers to acquire a 99 year lease of the All Souls land at Spur Road, Edgware subject to the college confirming they were willing to proceed, and agreement being reached with DfES and Family/Unitary regarding the Council's retained land, plots E, F and G and the external auditors being consulted on the financial arrangements.
- 2.2 Cabinet 22 March 2004 noted that the use of Edgwarebury Park land as alternative playing fields was no longer an option.
- 2.3 Cabinet 10 February 2004, agenda item 4. The Council authorised the transfer of the freehold interest of Edgware School to the Academy Trust, the grant of a temporary licence to occupy adjoining land which is retained by the Council, an in principle agreement to grant a long lease to the Academy Trust of alternative playing fields and the transfer of the remainder of the existing Edgware School to the Trust in the event of the Council being unable to secure alternative playing fields.
- 2.4 Cabinet 10 December 2001. The Cabinet agreed the appointment of Family Housing Association and Unitary as the preferred partner consortium for the development of the Spur Road/Stonegrove Estates regeneration scheme.

3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 3.1 The Corporate Plan 2004/5 – 2007/8 priorities include a commitment to improving the suitability of the learning environment for all children.
- 3.2 The corporate Plan commits the Council to 'plan and manage land use and development in Barnet enhance quality of life and provide tangible benefits for the community.' The proposal in this report will achieve this by assisting with the implementation of the Spur Road/Stonegrove Housing Estates regeneration scheme.
- 3.3 Providing good homes in balanced communities by reducing the number of properties not meeting Decent Homes Standard and regenerating priority estates.

4. RISK MANAGEMENT ISSUES

- 4.1 The existing agreement between the Council and the Barnet City Academy Trust and the Department for Education and Skills (DfES) provides that if the Council cannot secure alternative playing fields for the Academy by 31 December 2005, then the remaining school lands (marked E, F and G on the attached Plan No.1) will be transferred to the

Trust. If this happens then the intended regeneration scheme for Stonegrove/Spur Road as currently planned will be undeliverable.

4.2 The Council are now out of time in terms of acquiring the All Souls land through a Compulsory Purchase Order (CPO). If they were to pursue acquisition under this process it is unlikely that they would meet the deadline of 31 December 2005.

4.2 It is intended that the Council's retained land, plots E, F and G will be used to assist in securing the regeneration of the Spur Road and Stonegrove housing estates.

4.3 There is currently no marketing strategy for Site E, F and G although it is unlikely that the sites will be available until September 2006, when the new Academy buildings will be completed.

5. FINANCIAL, STAFFING, ICT AND PROPERTY IMPLICATIONS

5.1 All Souls have agreed for the Council to acquire Sites A and B for the sum set out in the exempt report. The Council have also agreed to meet the associated fees and costs in relation to this transaction.

5.2 It was originally proposed that the cost of the lease would be met from a capital sum received from the 'partner' organisation carrying out the regeneration of the adjacent housing estates. Whilst the arrangements for the regeneration scheme are under review the cost of securing the grant of the lease will be met by prudential borrowing. However, it is still anticipated that the regeneration proposals will still generate capital receipts from developing part of the lands for private sale housing and part of these receipts will be used to re-pay the prudential borrowing. There is a provision in the budget for the revenue costs of the prudential borrowing needed to fund the acquisition for 2004/05 only. This will increase pressure to the budget for this financial year, 2005/06.

5.3 It was originally intended that the sum received from the regeneration 'partner' for Sites E, F and G would meet the cost of the All Souls purchase with the balancing sum being paid to DfES. No formal arrangement was ever made between the Council and DfES on this matter. It is still the intention of the Council to make this payment, although detailed discussions will need to be held with DfES to formalise the matter. This will be reported to the Committee at later date once discussions have been concluded.

5.4 There are no staffing or ICT implications.

6. LEGAL ISSUES

6.1 None

7. CONSTITUTIONAL POWERS

7.1 Constitution – Part3 Responsibility for Functions – Section 3.6 Functions delegated to the Cabinet Resources committee – All matters relating to land and buildings owned, rented or proposed to be acquired or disposed of by the Council.

7.2 Section 16(1) of the Overview and Scrutiny Rules in the Council's Constitution provides that the call-in procedure is not to apply where a decision being taken by the Executive is urgent, that is if any delay caused by the process would seriously prejudice the Council's or the public interest. The Chairman of the Cabinet and Overview and Scrutiny

Committee must agree both that the decision proposed is reasonable in all the circumstances and to it being treated as a matter of urgency.

8. BACKGROUND INFORMATION

- 8.1 At its meeting on 23 September 2004, the Council considered the acquisition of land at Spur Road, Edgware, to facilitate the development of the Barnet City Academy and the Stonegrove and Spur Road housing regeneration. It was agreed that subject to All Souls College confirming that they were willing to proceed and the Council reaching an agreement with DfES and Family/Unitary regarding payment for plots E, F and G the acquisition of Sites A and B (as shown on the attached plan) could proceed.
- 8.2 Since then, there have been a number of changes in the proposals for the Stonegrove/Spur Road regeneration and the Council agreed at its Cabinet meeting on 29 March 2005, that there would now be a staged approach to the regeneration of the estate through the initial disposal of discrete sites for new affordable and private housing. The recommendation retains the Council's future control of the project and further disposals.
- 8.3 Although the Council is still committed to the overall regeneration of the estate, this Cabinet decision changes the implementation of the original proposal.
- 8.4 It was previously intended that Sites E, F and G, the former Edgware school, would be transferred to the Greengrove Partnership once the new City Academy was completed and a lease of Sites A and B had been acquired from All Souls College, Oxford for the purpose of providing playing fields. Greengrove would make a sum payment for the E, F and G sites and the land would form part of the housing regeneration scheme.
- 8.5 The sum payment would have been used to fund the acquisition of a lease of the All Souls land with the remaining money being paid to DfES to defray the Academy costs. This however is no longer the case as there is currently only authority for the Council to proceed with Phase 1 of the Stonegrove/Spur Road regeneration, which does not include Sites E, F and G.
- 8.6 It is essential that the Council proceed with the acquisition of the All Souls land, as the release of Sites E, F and G for development is conditional on this land being purchased for playing fields. All Souls have agreed to proceed with the grant of a long lease of Sites A & B in favour of the Barnet City Academy. The Council will finance the capital premium payment through prudential borrowing – these figures are set out in the exempt report.
- 8.7 As part of the acquisition of All Souls the Council have agreed to pay all associated fees and costs, which are set out in the exempt report. The costs do not include stamp duty as it is intended that the lease will go direct to the Academy Trust. As a charitable organisation they are probably exempt from this tax, therefore relieving the Council from this liability. Acting cautiously until the Stamp Duty Land Tax position is certain, the Academy Trust have requested that the Council provide an indemnity in respect of any stamp duty which may become payable. This is not considered to be a real risk and by providing this comfort the Council is not in any worse position than if it were to take the lease from All Souls in the first instance.
- 8.8 It is intended that Sites E, F and G will still be used for the housing estates regeneration proposals and will generate some capital receipts. This will be the subject of further reports to future meetings of the committee.

- 8.9 Because of the need to first lay out the All Souls land as playing fields, the Council is unlikely to secure possession of any of sites E, F and G until the latter part of the year when it is intended that the new Academy buildings will be complete. The Academy does however hold a lease for these sites until December 2007. Once the lease of the playing fields has been granted it is thought that it will take approximately 1 year for them to be laid out, to ensure they are available for use simultaneously to when the new Academy buildings are open.
- 8.10 The estimated value undertaken by Donaldson's of sites E, F and G for the housing estates regeneration project (i.e. what they will contribute in cross-subsidy benefit to the scheme) is set out in the exempt report.
- 8.11 Under the negotiated terms of the proposed lease of the playing fields land the Academy is required to seek consent from All Souls College should they wish to assign the lease. The Council have requested that a pre-emption be put in place in its favour to ensure that should the Academy Trust decide that it no longer requires the land the lease should be assigned to the Council or the appropriate Local Education Authority for the time being. This is the subject of on-going negotiations and there are to be discussions with the Department for Education and Skills. The final arrangement will be a variation on what has been proposed but still providing the general assurance to the Council that the Academy cannot 'profit' from the Council's expenditure.

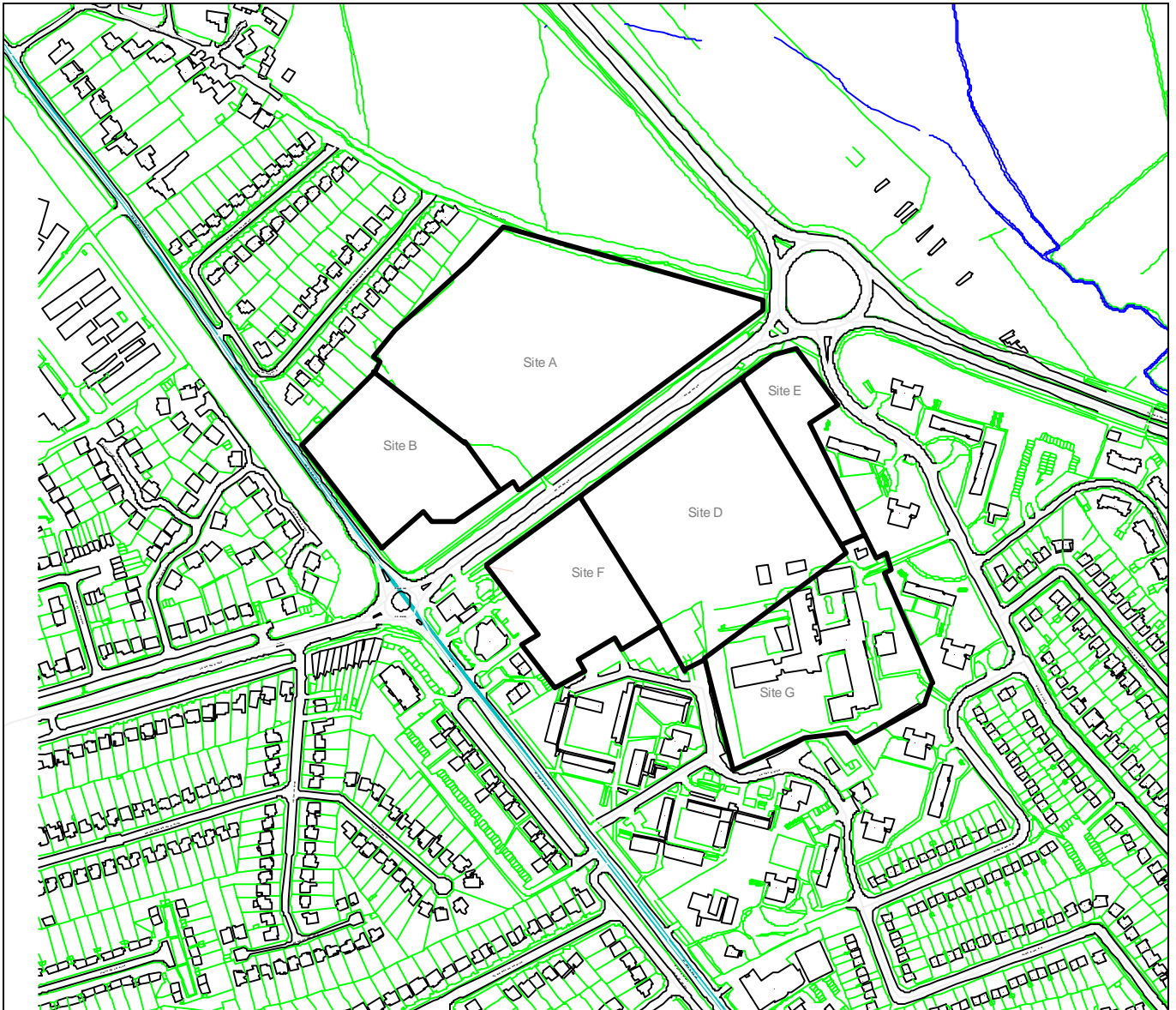
9. LIST OF BACKGROUND PAPERS

- 9.1 None.

MO:

BT:

**PLAN NO.1 STONEGROVE / SPUR ROAD HOUSING ESTATE & EDGWARE SCHOOL,
SPUR ROAD, EDGWARE**



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AGENDA ITEM: 4

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Meeting	Special Cabinet Resources Committee
Date	28 July 2005
Subject	Accommodation Strategy and Modernising Access to Services
Report of	Leader Cabinet Member for Policy and Performance
Summary	This report is a step in the implementation of the Council's Accommodation Strategy. It proposes the further consolidation of accommodation at NLBP and Barnet House with consequent disposal of Stag House and the surrender of leases at Hyde House and Sovereign House. The proposals will deliver revenue and capital benefit to the authority.

Officer Contributors	Shari Simon, Property Support Officer
Status (public or exempt)	Public – with a separate exempt report
Wards affected	N/A
Enclosures	Appendices A, B and C
For decision by	The Committee
Function of	Executive
Reason for urgency / exemption from call-in (if appropriate)	Not applicable

Contact for further information: Shari Simon, Property Support Officer.

Tel : 020 8359 7354

1. RECOMMENDATIONS

- 1.1 That the Council takes a new lease of parts of the ground floor and the whole of the first and second floors of Building 4 at North London Business Park for a term of 15 years from 17 October 2007 upon the principal terms set out in the report.**
- 1.2 That the Council takes lease of an additional part of the ground floor of Building 4 at North London Business Park for a term up to 16 October 2007 and upon the principal terms set out in the report.**
- 1.3 That the appropriate Chief Officers arrange to have the proposed works to the additional ground floor accommodation referred to in 1.2 above and detailed in the report carried out within the budgeted sums.**
- 1.4 That subject to 1.2 and 1.3 above and to the prior consultation with the Unions, the appropriate Chief Officers undertake the necessary moves of staff to meet the objectives of the report.**
- 1.5 That, subject to 1.4 above the Council's tenancies of Hyde House and Sovereign House be terminated.**
- 1.6 That subject to 1.4 above the appropriate Chief Officers to report to a future meeting of the Committee upon the options for Stag House.**
- 1.7.1 That the additional revenue and capital costs for HRA and GF are included as bids in the council's budget and forward planning processes for revenue and capital for the appropriate year.**

All of the above being subject to the costs remaining within the guidelines as set out in the exempt report.

2. RELEVANT PREVIOUS DECISIONS

- 2.1 Cabinet 22 April 2002 – Agreed to the taking of a five year lease of office accommodation in Building 4 at North London Business Park.
- 2.2 Cabinet 14 April 2003 – Agreed to take a lease of Building 5 at North London Business Park co-terminus with the lease of Building 4.
- 2.3 Cabinet 21 February 2005 – Agreed the appointment of consultants to review the land and buildings in and around The Town Hall to provide options for the future use of Council owned buildings around The Burroughs.
- 2.4 Cabinet 4 July 2005 – Approved the Accommodation Strategy.

3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 3.1 The corporate plan commits the council to improved asset and contract management. In line with this the proposals in this report seek to continue the programme of modernising the authority's office accommodation. The proposals are also in line with the Accommodation Strategy approved by Cabinet on 4 July 2005.
- 3.2 The proposals in this report progress this objective by identifying office accommodation changes which fit with the accommodation strategy vision of "a smaller, more centralised provision of office accommodation for service support staff enabling improvement in

frontline service provision, improving access to service users across a range of innovative accommodation solutions”. In addition, also in line with the objectives of the strategy, these moves could act to consolidate office space beyond NLBP in advance of any possible re-development of the lands within the vicinity of the Town Hall.

3.3 The draft Capital Strategy is intended to:

- ensure that spending decisions are matched to corporate priorities
- ensure that both revenue and capital implications of decisions are fully considered
- along with the Asset Management Plan and Accommodation Strategy, promote corporate ownership of property issues

The proposals in this report accord with these objectives.

3.4 Furthermore, the Planning Service is a priority area within Barnet Council, central to delivering the ‘three strand approach’ to regeneration in the borough going forward.

4. RISK MANAGEMENT ISSUES

4.1 The Council has no security of tenure at Hyde House nor at Sovereign House. Whilst the landlords have not taken action to secure possession against the Council to date this situation may not continue. The problem is particularly acute in the case of Sovereign House where the Council’s landlord is only a head lessee and that head-lease is due to expire shortly. Thus, it is essential that the Council makes an early decision about whether it intends to negotiate new leases at these locations or vacate. This report seeks to address these risks and issues.

4.2 Vacating Hyde House and Sovereign House will generate dilapidations claims from the landlords of each building. These will be the subject of negotiation and any settlement reported to a future meeting of the committee. It should be noted however that such claims will be encountered whenever the Council vacates these buildings.

4.3 The cost estimates in this report are at this stage best assessed estimates and are based on the significant experience of the authority of moving staff into NLBP and dealing with similar issues elsewhere. However, it is proposed that if the recommendations in this report are approved, further work on the cost estimates will be undertaken to identify actual sums and with the expenditure be closely monitored to contain costs within the estimates set out in the exempt report.

4.4 There are risks associated with the estimated receipt for Stag House, the value being dependant upon the nature and timing of the disposal and the building’s future use.

4.5 The proposed new 15 year lease with an 8th year break clause of the Building 4 accommodation gives the Council either a 10 year or a 17 year window within which to fully implement its accommodation strategy. Depending upon the implementation timing of the projects within the strategy, a situation may arise where the Council is still leasing space which is surplus to its requirements. However, it is considered that this can be mitigated by proper project planning and the risks are outweighed by the current benefits of taking the longer lease.

4.6 It is always possible that within 10 years, with changes in work practices and possible reductions in the need for office space that surplus accommodation could occur in any of the principal office locations. After the closure of Hyde, Sovereign and Stag Houses the Council will still have other satellite buildings and the use of these can be reviewed if

space becomes available in the principal buildings. There is also a risk that Barnet Homes may change their accommodation requirements at Barnet House before 2015, leaving the council with surplus leased accommodation.

5. FINANCIAL, STAFFING, ICT AND PROPERTY IMPLICATIONS

- 5.1 Appendix A to this report provides an outline of the current expenditure and Appendix B shows the proposed revenue expenditure arising from these proposals. The costs are split between HRA and GF. There will be an estimated net saving to the HRA of £227,186, but an estimated additional cost of £196,850 to the GF. These amounts are not currently built into the council's budgets and will need to be included as part of the council's budget and forward planning process. The capital costs set out in Appendix C are not part of the current approved capital programme and will be an additional cost for both GF and HRA, unless met by slippage or deletion of existing schemes. The expected £1m capital receipt for Stag House will only benefit the council in total if it is a GF asset. If it is an HRA asset then it may be subject to pooling.
- 5.2 New IT and telephony will be required for approximately 100 staff moving from Barnet House to NLBP. The costs are as set out in Appendix C. The reference to IT/Telephony refers to hardware (PC's, printers and phones) and the reference to increased infrastructure costs refers to the purchase of new servers and the cabling required for the new level of use on the site. In Appendix B there is a reference to extra SCC costs. This is an estimate of the charges that SCC will make for the management and trouble shooting of an extra 100 staff at NLBP, per annum.
- 5.3 It is recommended that, to ensure the moves are operated in an efficient manner, a temporary Moves Manager should be appointed. The cost for this is as set out in Appendix B. This would be a one-off expenditure. There is no provision for this within the current budgets and it would need to be a bid for resources within the budget and forward planning process.
- 5.4 There will need to be consultation with the Unions about the proposed relocation of staff to different offices.
- 5.5 These moves will facilitate the termination of leases at Hyde House and Sovereign House. A report upon the future of Stag House will be presented to an early future meeting of this Committee.
- 5.6 There will also be an impact on the redevelopment of Barnet House reception, allowing for a more appropriate solution to be put in place for those services consolidated there within.

6. LEGAL ISSUES

- 6.1 As referred to in the body of the report.

7. CONSTITUTIONAL POWERS

- 7.1 Constitution – Council Procedure Rules – Financial Standing Orders & Rules for Disposal of Land and Real Property.
- 7.2 Constitution – Part 3 Responsibility for Functions – Section 3.6 Functions delegated to the Cabinet Resources committee – All matters relating to land and buildings owned,

rented or proposed to be acquired or disposed of by the Council.

8. BACKGROUND INFORMATION

Background

8.1 Hyde House

The Council are the current leaseholders of the 11th floor of Hyde House at The Hyde, NW9. This area has been used by the Housing department (now Barnet Homes) and Community Care since 2001. The lease expired in September 2003 and the Council have been holding over since then on similar terms. The remaining staff in this location are Barnet Homes staff. They number approximately 80 in total. Effectively there is no agreement to remain in this property and some certainty about the future of this accommodation must be found for the staff who occupy the space. The use of this site as an office location is no longer an essential requirement for service delivery. There will be some dilapidations costs involved in the surrendering of the space and potential figures are referred to in the exempt report.

8.2 Sovereign House

The Council are the current tenants of Sovereign House, High Road, N3. The sub-lease for this building expired in August 2003 and the Council are currently holding over under similar terms. However, the head lease is expiring in December 2005 and therefore there is no other option but to move from this property. The 37 staff at this location are all Barnet Homes staff. These staff must vacate by December 2005 at the latest.

Officers have been in negotiation with the landlords in respect of potential dilapidation, and a possible cost is set out in the exempt report.

8.3 Stag House

The Council is the freehold owner of Stag House. The property contains ground floor offices (currently used by approximately 15 Barnet Homes staff) and four residential flats above. The office space is under utilised and does not contribute to the Council's accommodation strategy. The Council have been approached by developers who wish to purchase the property and this has prompted the investigation into its future use. A review of Stag House and its future should be investigated once staff have vacated. There is an estimated figure for a capital receipt in the exempt report.

8.4 Hendon Town Hall

A review of the Hendon Town Hall Complex and environs is currently in progress by the Council's consultants, Donaldsons. Their final report is due in October 2005 and should give the Council various options with regards to future accommodation strategy around The Burroughs. If an option is selected then there would be a length of time required for consultation, scoping, planning and eventually development of some kind. This period is estimated to be somewhere between 5 and 7 years and therefore any development of this site would not be ready for occupation until somewhere between 2010-2012.

8.5 Building 4 North London Business Park

The Council have been approached by the Landlord's of NLBP offering up to an extra 27,000 sq. ft of office accommodation on the ground floor of building 4. This is now becoming available as Nortel make their last moves from the site. The accommodation

consists of open plan offices, approximately 9 small cellular offices and a large internal enclosed area. The whole area has a separate entrance to it situated at the west side of the building with approximately 20 car parking spaces alongside the entrance. In this report references to the space on the ground floor refer only to approximately 17,700 sq. ft rather than the whole of the space available.

Future

- 8.6 As the Council have been holding over on the leases at Hyde and Sovereign House there is a need to secure some longer term settlement of the accommodation needs of the staff currently based in these locations. There is also a need for better integration of services – both those provided by the Council and by Barnet Homes. This is not possible with services being delivered from a number of locations. The financial implications and dilapidations costs of remaining in the existing accommodation or taking the alternative option are set out in the exempt report but clearly there is no efficiency in staying on at either Hyde House nor Sovereign House given the Council's plan to modernise access to services.
- 8.7 Barnet Homes main site at present is Barnet House and efficiencies can be found in the movement of staff from Hyde, Sovereign and Stag House to this location. It would form a better integrated service and would reduce travelling expenses as well as increase efficiencies in property utilisation, utility expenditure and IT/telephony infrastructure. There is a need to move non-Barnet Homes staff out of Barnet House in order to allow the movement of staff from Hyde, Sovereign and Stag. A review of staff in the building has shown that the movement of Planning, Asset Management, Building Regulations and the Land Charges team (approximately 130 staff) to NLBP would be most efficient and help to better integrate services at NLBP.
- 8.8 The opportunity of extra space at NLBP presents advantages for service integration which were impossible previously due to limited space availability. There are some cost implications in terms of building works and IT infrastructure which are laid out in the exempt report. However, the movement of Planning et al to NLBP will free up space for the movement of Barnet Homes staff and Community Care staff to Barnet House which will facilitate a much more efficient service integration and delivery of service at both NLBP and Barnet House. The extra space at NLBP has proven and will still prove to be value for money based on comparable office accommodation market rents.
- 8.9 The ground floor space on offer has a separate entrance and separate parking which with some minor alteration can easily be operated as a small public car park and public entrance for the Planning department. The current office space utilised in building 4 would not be affected by this move as the public entrance would be separate to the existing entrances used by staff and therefore causes no security issues.
- 8.10 The possible future development of the Town Hall leaves the Council with some staffing implications over the next 5 to 7 years. The Council needs some security of tenure to ensure that adequate office accommodation is provided whilst any development takes place. There is an opportunity to extend the lease on floors 1 & 2 in Building 4 at NLBP which would allow a cushion in terms of office accommodation and the review of an accommodation strategy. The Council's current lease of the first and second floors of Building 4 is for a term of five years from 17 October 2002 (thus expiring on 16 October 2007). The provisions of Sections 24 to 28 of the Landlord and Tenant Act 1954 have been excluded and therefore the Council currently has no right to a renewal of the lease. Following discussions with officers the landlord has agreed to grant the Council a new lease upon the expiry of the present term. This would be for 15 years with a right for the Council to break the lease in the 8th year. This would secure tenure for the Council of a

significant part of its office accommodation until 2015 at the earliest, allowing some leeway should there be a delay in any of the alternatives currently under consideration for the Council's longer term office accommodation strategy. This new lease will be within the provisions of the Landlord and Tenant Act 1954 and will thus afford the Council greater security of tenure.

- 8.11 The period of the lease for the extra space on the ground floor of Building 4 can run concurrently with the current lease of the 1st and 2nd floors. The term granted will thus be from a date to be agreed (expected to be within the next three months) until 16 October 2007. Thereafter the whole of the accommodation occupied by the Council within Building 4 will fall within the new 15 year lease. Further details on the rent payable and service charges are as set out in the exempt report.

WHY IS THIS THE BEST OPTION?

- 8.12 The following issues have been taken into account in arriving at the recommended actions:
- i. The Accommodation Strategy has identified that the Council's future accommodation requirements are likely to be based upon two or three principal locations around the Borough instead of having a large number of satellite locations.
 - ii. Although not quantified, it is known that there will be cost saving from no longer having to provide full operational and infrastructure service supplies to the satellite offices (reduction in costs of courier services, custodians, postal systems, office cleaning, materials and equipment supplies and storage, up-grading technology links etc).
 - iii. The Council's lease of Building 5 at NLBP is only until 2007. Whilst the landlord has said that the Council may remain in occupation longer, if the landlord achieves planning permission to redevelop parts of the NLBP site then he may require possession of Building 5 by 2007. Thus, even with changes in work practices it is necessary to identify now alternative space to replace Building 5 accommodation and the additional space within Building 4 will assist with this.
 - iv. As identified within the Accommodation Strategy, the provision of new office space for the Council will take some time. Additionally, until the capacity of the possible locations is known and the full costs are identified, it cannot be clear as to the amount of floorspace that is required or can be provided. In the meantime it would be difficult to identify a building elsewhere in the Borough which would meet the Council's needs in the same manner as NLBP and at such a competitive cost.
 - v. The Council has already invested heavily in the information and communications equipment and infrastructure within NLBP and its links to other buildings around the Borough. To move from NLBP in 2007 would incur significant costs associated with the information systems infrastructure.

9. LIST OF BACKGROUND PAPERS

- 9.1 None.

MO: JEL
BT: PK

Appendix A

Current Annual Rental and Other Revenue

Address	HRA Expenditure	GF Expenditure
Hyde House actual	£138,138	
Sovereign House actual	£138,500	
Stag House asset rent	£ 75,548	
Barnet House actual	£200,000	£450,000
TOTAL	£552,186	£450,000

NOTE – The figures given for Hyde and Sovereign House refer to rent, rates and services charges. The figure for Stag House just refers to asset rent and rates. The Barnet House figure refers to rent only. The sums do not include maintenance or running costs (heating, lighting etc) since these should not vary greatly between buildings.

Appendix B

Proposed Annual Rental and other revenue outgoings if Hyde, Sovereign and Stag are vacated

Address	HRA Expenditure	GF Expenditure
Hyde House	Nil	Nil
Sovereign House	Nil	Nil
Stag House ³	Nil	Nil
Barnet House actual ¹	£325,000	£325,000
NLBP actual ²		£321,850
TOTAL	£325,000	£646,850
Net difference from Appendix A	£227,186 saving	£196,850 additional

A one off fee of £20,000 for a moves manager and an annual fee of £52,000 for extra SCC costs should also be considered.

1 – This figure changes as Barnet Homes take more space in Barnet House. If they use half the space they will pay the rent. Total rent currently amounts to £650,000 per annum. The assumption has been made that Barnet Homes will occupy half of Barnet House.

2 – This figure refers to rent, rates and service charges for the extra space taken on the ground floor of building 4.

3 – Stag House comprises offices on the ground floor with four flats over (sold on long lease). Whilst the offices have been used as Housing offices for many years it is clearly a corporate office.

Appendix C

Proposed Capital Expenditure arising from the vacation of Hyde, Sovereign and Stag and the taking of additional space at NLBP

	GF Expenditure	HRA Expenditure	Receipt
Moves ¹	£32,500	£33,000	
Reception ²	£100,000		
IT and telephony costs	£130,000		
Infrastructure and cabling costs	£280,000		
Sovereign House dilapidations		£45,000	
Hyde House dilapidations		£60,000	
Stag House disposal ³			£1,000,000
TOTALS	£542,500	£138,000	£1,000,000

1 – Moves refers to the physical packing and unpacking of items from Hyde, Sovereign and Stag House to Barnet House and also of the items from the Planning and Asset Management departments from Barnet House to NLBP.

2 – Reception refers to works to be carried out in order to facilitate a Planning reception area next to the west entrance on the ground floor of building 4.

3 – Stag House is a corporate office.

AGENDA ITEM: 5

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Meeting	Special Cabinet Resources Committee
Date	28 July 2005
Subject	Interim Management of Cophall Stadium
Report of	Cabinet Member For Culture, Community Engagement and HR
Summary	This report proposes to extend the interim management partnership with Cophall Management Services Limited until March 31 2006 in the first instance.

Officer Contributors	Andy Hatvani, Acting Leisure Services Manager
Status (public or exempt)	Public
Wards affected	Mill Hill
Enclosures	Appendix A
For decision by	Cabinet Resources Committee
Function of	Executive

Contact for further information: Andy Hatvani 020 8359 7840

1 RECOMMENDATIONS

- 1.1 That, in a variation to the previous decision taken on 4 November 2004, the Council extends the interim management agreement with Copthall Management Services (CMS) Ltd, the holding company of Shaftesbury Barnet Harriers (SBH), to 31 March 2006 in the first instance, to manage and operate the stadium for an annual fee of £120,000 plus RPI with £20,000 per annum being retained by the Council to resurface the track in 2006 and at a future date as part of the conditions of the Community Athletics Refurbishment Programme application.**

2. RELEVANT PREVIOUS DECISIONS

- 2.1 Cabinet 9 September 2002, instructed 1) to immediately grant Hendon Football Club a licence to occupy the stadium with an agreement for a lease 2) to grant Hendon Football Club a 25 year lease at a peppercorn rent to manage Copthall Stadium and use it as their home ground 3) to agree to a disposal of the lease at Claremont Road Stadium.
- 2.2 Cabinet 9 September 2002; agreed to award preferred Partner Status to Greenwich Leisure Ltd (GLL) to manage and operate Leisure Facilities, approval to negotiate and finalise the contract including provision for them to manage and operate the stadium in a holding capacity
- 2.3 Cabinet Resources 20 May 2004, agreed the proposal to grant Shaftesbury Barnet Harriers a temporary management contract to manage the stadium in a holding role until such times as when the new consortium of Hendon Football Club and Shaftesbury Barnet Harriers, through a Youth Sport and Leisure Trust, manage and operate the stadium.
- 2.4 Cabinet Resources 20 May 2004, agreed a management fee of £120,000 per annum be granted on formal establishment of a re-formed Youth Sport and Leisure Trust to manage the stadium and operate a community programme.
- 2.5 Cabinet Resources 20 May 2004 agreed the utilisation of Council Section 106 monies of £97,500 to assist with the match funding element for the refurbishment of the athletics track within the Copthall public open space.
- 2.6 Cabinet Resources 4 November 2004 agreed to proposals to transfer the temporary management contract from Shaftesbury Barnet Harriers(SBH) to its own holding company, Copthall Management Services (CMS) Ltd. It would operate the stadium in a holding role until the intended transfer of Hendon Football Club (HFC) when a consortium of HFC and SBH form a trust to continue the operational management of the stadium.

To amend the winter opening hours of the stadium for the period November 2004 – March 2005 inclusive, taking into consideration demand and efficiency.

3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 3.1 This Council is committed to Putting the Community First and by working in partnership and securing capital investment into the Copthall stadium the Leisure Service is supporting two corporate plan targets, to improve the

standard of leisure facilities and to promote healthy lifestyles and participation in healthy activity.

4 RISK MANAGEMENT ISSUES

4.1 These are attached as Appendix A.

5 FINANCIAL, STAFFING, ICT AND PROPERTY IMPLICATIONS

5.1. The current annual holding management fee to CMS Ltd of £120,000 is apportioned on a monthly basis including an annual RPI adjustment. This agreement will be terminated by way of a variation of the contract with CMS Ltd when Hendon Football Club are able to take up residency at the Stadium or alternative arrangements are made.

6 LEGAL ISSUES

6.1 These have been included in the main body of the report.

7 CONSTITUTIONAL POWERS

7.1 Constitution, Part 3, Responsibility for Functions, Section 3, Powers of the Executive, paragraph 3.6 - terms of reference of the Cabinet Resources Committee.

8 BACKGROUND INFORMATION

8.1 Copthall Management Services Ltd has been managing the stadium since January 2005 in a very rewarding partnership with the Council.

8.2 An extensive programme of works has been undertaken to make the facility as safe and as weather proof as possible.

8.3 The Leisure Service recently commissioned Materials Science Consultants Ltd to carry out a complete inspection of the track prior to the beginning of the tendering process to select a contractor to relay the track.

9. LIST OF BACKGROUND PAPERS

9.1 None.

BS: DVP

BT: MG

Appendix A Leisure Service: Future Management and Investment into Cophall Stadium

July 2005

Ref	Risk	Early Warning Mechanisms / Mitigating Actions	Residual Risk (H, M, L)		Further action proposed (including timetable and officers responsible)
			Likelihood	Impact	
1	Strategic - not enabling the partnership arrangement to be extended with the new company.	Proposals contained in main body of report to minimise capital input.	M	M	Leisure Services would be required to manage the facility with few resources until the formation of the new Youth Sports Trust between Hendon Football Club and Shaftesbury Barnet Harriers. Situation to be monitored accordingly by an appropriate Leisure Service officer.
2	Operational – Lack of any further investment in the stadium infrastructure leading to H & S issues and withdrawal of Community and schools Sports, Athletics and events programme.	Proposals contained in main body of report, to enhance facility provision and continue Community / Schools Sports, and Athletics programmes as well as introduce new capital and joint partnering operation of the Cophall stadium.	M	M	None if report agreed. Situation to be monitored accordingly by an appropriate Leisure Service officer.
3	Financial Management Fee not used as per agreed to upkeep the Cophall Stadium. Therefore further deterioration of stadium facilities, Health & Safety implications	Include in operating agreement checks by council officers on audit trails of operating fee, including a separate depreciation fund. Include in operating agreement Quarterly checks on maintenance of Stadium facilities by council officers. Checks would also be made by statutory licensing authorities as a condition of license requirements to operate the stadium, for matches, events and athletics meetings.	M M	M M	Leisure Service would be required to manage the facility on a limited budget. None if report agreed. Situation to be monitored accordingly by an appropriate Leisure Service officer. None if report agreed. Situation to be monitored accordingly by an appropriate Leisure Service officer.

AGENDA ITEM: 6

Page nos. 23 - 27

Meeting	Special Cabinet Resources Committee
Date	28 July 2005
Subject	Hendon Leisure Centre – Capital Investment Programme
Report of	Cabinet Member for Culture, Community Engagement and HR
Summary	This report proposes a variation to the original Capital investment programme by Greenwich Leisure Limited.

Officer Contributors	Andy Hatvani, Acting Leisure Services Manager
Status (public or exempt)	Public
Wards affected	Golders Green
Enclosures	Appendix A - Risk Assessment Appendix B - Greenwich Leisure Limited's financial proposals.
For decision by	Cabinet Resources Committee
Function of	Executive
Reason for urgency / exemption from call-in (if appropriate)	

Contact for further information: Andy Hatvani 020 8359 7840

1 RECOMMENDATIONS

- 1.1 That, in a variation to the previous decision taken on 9 September 2002 the Council agree to Greenwich Leisure Limited reducing its capital investment at Hendon Leisure Centre by £150,000 subject to the Borough Treasurer verifying the loss sustained by the Council's partner as a result of the delay. The current capital investment for the project being £750,000 signed on 26 June 2002.

2 RELEVANT PREVIOUS DECISIONS

- 2.1 Cabinet Report 9 September 2002 resolved that Greenwich Leisure Limited was accepted as Council's preferred partner to manage and operate the Borough's leisure facilities identified in the Recreation and Parks Best Value Review (2001). Capital investment was identified at the time as being £3,450,000.

3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 3.1 This Council is committed to Putting the Community First and by working in partnership and securing capital investment into Hendon Leisure Centre the Leisure Service is supporting two corporate plan targets, to improve the standard of leisure facilities and to promote healthy lifestyles and participation in healthy activity.
- 3.3 Improving the standard of the facilities currently used the community and by schools will support and add value to the Council's priority to provide a first class education service.

4 RISK MANAGEMENT ISSUES

- 4.1 These are attached as Appendix A.

5 FINANCIAL, STAFFING, ICT AND PROPERTY IMPLICATIONS

- 5.1 Greenwich Leisure Limited propose that their initial submission of £750,000 be reduced to £600,000 to take account of the unexpected delay in the opening of the Wellness facilities at the Finchley Lido Leisure Centre in 2004.
- 5.2 There are not enough funds in the current Leisure Service budget to cover the amount of £150,00 being requested by Greenwich Leisure Limited should the Council not consider the reduction in their capital programme

6 LEGAL ISSUES

- 6.1 These have been included in the main body of the report.

7. CONSTITUTIONAL POWERS

- 7.1 Constitution, Part 3 - Responsibility for Functions, Section 3 - Powers of the Executive, paragraph 3.6 - terms of reference of the Cabinet Resources Committee.

8. BACKGROUND INFORMATION

- 8.1 There was a delay in starting the planned refurbishment of the Finchley Lido because of an unexpected Landlord and Tenant issue. This resulted in Greenwich Leisure Limited not being able to commence their proposed work until the legal issues were resolved.
- 8.2 The delay at Finchley Lido cost Greenwich Leisure Limited £151,225 in lost profit.
- 8.3 The current Leisure service revenue budget is not sufficient to compensate Greenwich Leisure Limited for the loss.
- 8.4 The alternative is to reduce the capital spend by an equivalent amount.
- 8.5 The proposed refurbishment of the Hendon Leisure Centre will be:

Ground Floor

Removal of current weights facility.
Creation of Health and Fitness Changing Rooms
Refurbishment of the sports changing rooms
Creation of a sales area (behind reception)
Crèche provision (2 hour drop)
Reception redesign
Office and staff room reconfiguration
Creation of an enrolment point for courses and clubs
Creation of a party room

1st Floor

Dance Studio and Wellness centre similar to those already provided for at Cophall Leisure Centre, Finchley Lido Leisure Centre and Barnet Burnt Oak Leisure Centre.

- 8.6 Although the refurbishment will result in a net loss of approximately 160 square metres of increased floor space from the original project specification, the overall effect will be to create a 60 station fitness centre as well as retaining the main 5 badminton court sports hall, specialist gymnastics hall and climbing room.
- 8.7 It is very likely that the Hendon Leisure Centre will be completely redeveloped within the Cricklewood and Eastern Lands scheme in the future.

9. LIST OF BACKGROUND PAPERS

- 9.1 None.

BS: DVP
BT: MG

Leisure Service: Future Investment at Hendon Leisure Centre

Ref	Risk	Early Warning Mechanisms / Mitigating Actions	Residual Risk (H, M, L)		Further action proposed (including timetable and officers responsible)
			Likelihood	Impact	
1	Financial – Requesting that Greenwich Leisure Limited invest £750,000 into the project as per contract rather than the figure of £600,000 as mentioned in the report.	<p>Leisure Services would be expected to make provision to increase its management fee by £150,000 to cover the delay in the opening of the Wellness suite at Finchley Lido Leisure centre.</p> <p>Leisure Services are not in a position to increase its management fee.</p> <p>Proposals contained in main body of report to reduce capital input.</p>	H	H	Leisure Services to monitor capital project accordingly by an appropriate service officer.

Title: <u>Finchley Lido Capital Investment – Implications of Delay</u>	
Lead Officer: David Behagg	Requested by: Chris Symons
Date: 20/01/04	VERSION - INTERIM

1. Introduction

It is necessary to identify the revenue cost implications of a delay in the Finchley Lido capital investment of 1 month, 3 months or 6 months.

2. Cost of Potential Delays

2.1 Delay of Capital Development

The table below shows the respective costs of the different lengths of delay are shown below

	Full Mature Year	1 Month Delay	3 Month Delay	6 Month Delay
New Income	£ 586,496	£ 48,875	£ 146,624	£ 293,248
New Rev Exp	-£ 264,254	-£ 22,021	-£ 66,064	-£ 132,127
Existing Income	-£ 63,000	-£ 5,250	-£ 15,750	-£ 31,500
TOTAL COST	£ 259,242	£ 21,604	£ 64,811	£ 129,621

Appendix 1 shows the investment savings schedule taken from the GLL partnership proposal submitted prior to the award of the LBB contract. The source cells for the Full Mature Year Column (above) are highlighted yellow.

2.2 Re-scheduling of work

There would be a further cost should either the 6 week pool closure or the subsequent 12 week fit out of the new development coincide with the school summer holidays. Other than this there is little variation in revenue cost associated with the timing of the work, with regard to the current centre programme.

3. Impact on Service

3.1 The view of GLL operations department is that it would be acceptable to close the pool during the Easter Holidays, as this would mean 2 weeks less closure during term time, which would be of equal value.

3.2 The view of GLL operations department is that all work, including the internal fit out must be completed by the School Summer Holidays. If this is not possible, then work should commence after the summer holidays.