



Financial Performance and Contracts Committee

28 October 2019

Title	Colindale Office Move - Update
Report of	Assistant Director, Estates
Wards	All
Status	Public (with exempt report which is not for publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972 as it contains information relating to the financial and business affairs of the building contractor and the council)
Urgent	No
Key	No
Enclosures	None
Officer Contact Details	Chris Smith, Assistant Director – Estates Chris.Smith@barnet.gov.uk

Summary

This report provides a further update on the Colindale office moves, following the reports submitted to Financial Performance and Contracts Committee in March and June 2019, including the settlement reached with the construction contractor.

Officers Recommendations

1. That the Committee notes the progress including the successful relocation of over 1700 staff to the new council office in Colindale
2. That the Committee notes the exempt report.

1. WHY THIS REPORT IS NEEDED

INTRODUCTION

- 1.1 The Way We Work (TW3) Programme aims to deliver new office accommodation for council staff and partners in the heart of the regeneration area in Grahame Park, Colindale. This will result in all staff moving out of the existing buildings in NLBP and Barnet House and requires staff to undergo a change programme in how they think about and perform work, by transforming working environments, business processes, working practices, management culture and employee behaviour. There are approx. 2300 staff that will be impacted, based across three sites; North London Business Park (NLBP) Building 2, NLBP Building 4 and Barnet House. This includes staff from partner organisations, including: The Barnet Group, Customer Support Group (CSG), Re, and Cambridge Education – the majority of which have now moved into the new offices.

UPDATE ON PROGRESS

- 1.2 The overarching vision of The Way We Work Programme is to *Empower people to choose where, when and how they work to deliver the best service to customers.*
- 1.3 Following handover of the building from the main contractor in April 2019, a series of moves took place throughout May to September. Over 1700 staff have now moved into the new office building. This includes Growth & Corporate Services, Public Health, Environment, Finance, HR, Adults and Health, Re, Cambridge Education, Assurance, and the majority of The Barnet Group and CSG. Staff from Family Services, Revenues & Benefits and some staff from The Barnet Group are still to move from NLBP Building 2 and Barnet House. Family Services were delayed in order to reduce the impact on OFSTED assessments etc. and Housing Options have been delayed as a result of difficulties experienced with securing a contractor for the fit-out of their new space, in the new office.
- 1.4 Staff in the Way We Work programme team have been present across the floors helping staff settle in and answering their queries. Over 160 Change Champions were recruited from services and they, along with line managers, were crucial to ensuring staff felt prepared and supported ahead of their moves. CSG IT, Re and Facilities Management ensured that the building was ready for occupation and resolved issues that emerged during early occupation.
- 1.5 Feedback on the moves process and the new environment has been very positive. Open plan office supports collaboration across staff who also are enjoying trying out the new audio-visual equipment in meeting rooms; eating lunch on the fourth floor terrace; and exploring their new surroundings in Colindale. A survey of nearly 350 staff in August 2019 found that 76% of staff are satisfied with the new office environment (compared with 51% in 2017), 75% feel settled in the new office, 90% are able to find space to work and 86% work away from the office at least once per week. The building was described as modern, clean, spacious, bright and professional.

- 1.6 Following the relocation of all staff from Building 4 at North London Business Park (NLBP), decommissioning took place and the building was handed back to the landlord successfully at lease end.
- 1.7 In August 2019 Family Services relocated from the 2nd to the 1st floor of NLBP Building 2. Decommissioning will now commence on the 2nd floor ahead of exiting the least in November. Decommissioning is also set to commence on the unoccupied floors of Barnet House.
- 1.8 Ahead of Building Handover, the council was in a contractual dispute with the main building contractor delivering the new office building over the final fit-out and costings. The council worked closely with its lawyers and engaged specialist technical and legal advice on the matter to protect the council's interests and help resolve this contractual dispute. A settlement was reached in July 2019, the details of which are included in the exempt attachment to this report.

2. REASONS FOR RECOMMENDATIONS

- 2.1 The programme has to date relocated over 1700 staff to Colindale.
- 2.2 The Council worked closely with its lawyers to resolve the ongoing dispute with the building contractor. This has been absorbed into the existing TW3 budget and has not currently created any budget pressure.

3. POST DECISION IMPLEMENTATION

- 3.1 Following the successful transition of all staff to Colindale by autumn 2019, the Council should conduct a post-project evaluation 3 months after the final move.

4. IMPLICATIONS OF DECISION

4.1 Corporate Priorities and Performance

- 4.1.1 The Council is committed to providing staff and service users with office accommodation that provides a flexible working environment in line with modern working practices. The relocation to Colindale brings front line staff closer to service users and other agencies.
- 4.1.2 The new building will also include purpose-built space for the Housing Options service and a Family Friendly Hub with improved facilities for resident interaction with staff and Council provided services.

4.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

- 4.2.1 A capital budget of £50.3m was allocated through the original FBC approved at ARG Committee in July 2016. This included the total build cost (including compensation for land, over 50 years) and other associated costs (fit out furniture, audio visual etc). The programme is expected to come in within this allocated budget at this time,

although it is becoming increasingly likely that the final cost for the Housing Options fit-out and Plot 9a and Southern Square developments will introduce a pressure.

- 4.2.2 MTFS associated with the move of £250k savings in 19/20 and a further £750k in 20/21 are at risk, as a result of the delayed move of Housing Options and Family Services but work is underway to mitigate this as much as possible.

4.3 Social Value

4.3.1 The new building contributes toward regeneration benefits for the Grahame Park area including improvements to the wider public space through redevelopment of the Southern Square.

4.3.2 The inclusion of a publicly accessible café on the ground floor will provide local recruitment opportunities.

4.4 Legal and Constitutional References

4.4.1 The council's Constitution, Article 7 Committees, Forums, Working Groups and Partnerships, sets out the functions of the Financial Performance and Contracts Committee as being responsible for the oversight and scrutiny of:

- The overall financial performance of the council
- The performance of services other than those which are the responsibility of the: Adults & Safeguarding Committee; Assets, Regeneration & Growth Committee; Children, Education & Safeguarding Committee; Community Leadership & Libraries Committee; Environment Committee; or Housing Committee
- The council's major strategic contracts including (but not limited to):
 - Analysis of performance
 - Contract variations
 - Undertaking deep dives to review specific issues
 - Monitoring the trading position and financial stability of external providers
 - Making recommendations to the Policy & Resources Committee and/or theme committees on issues arising from the scrutiny of external providers

4.5 Risk Management

4.5.1 All risks and issues are being managed in accordance with the Council's Risk Management Framework and Project Management Methodology and Toolkits.

4.5.2 Elements of the Programme have been the subject of a review by the council's internal audit function, with a 'substantial assurance' rating received.

4.6 Equalities and Diversity

4.6.1 An assessment was carried out on the impact of the proposed Colindale Office relocation on both staff and service users within the Equality Impact Assessments contained within appendices to the original Full Business Case approved by Assets, Regeneration and Growth Committee in July 2016. These demonstrated that the proposals set out in the FBC were designed to ensure fair and equitable treatment of all Barnet's communities and its staff in relation to their access to The Civic Estate

4.6.2 The Employee Equality Impact Assessment as appended to the Full Business Case approved by Assets, Regeneration and Growth Committee in July 2016 was revised in 2018 to reflect updates to the programme as it has progressed.

4.7 Corporate Parenting

4.7.1 In line with the Children and Social Work Act 2017, the council has a duty to consider Corporate Parenting Principles in decision-making across the council. There are no implications for Corporate Parenting in relation to this report.

4.8 Consultation and Engagement

4.8.1 LBB has made a commitment to regeneration of the borough, and in particular within the Colindale area. Specifically, the Colindale Area Action Plan (CAAP) 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 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.' Co-locating an office on the site would likely bring additional employment opportunities, improvements in local infrastructure and support local businesses.

4.8.2 During the construction period the building contractor ensured on-site liaison with residents in addition to travel related consultation.

5. BACKGROUND PAPERS

5.1 Colindale Office Move – Update submitted to FPC Committee 19 June 2019 – <http://barnet.moderngov.co.uk/documents/s53049/Colindale%20Update%20Report%20-%20Public.pdf> (and exempt attachment)

5.2 Accommodations Options Review Final Business Case (FBC) submitted to ARG Committee in July 2016 – <https://barnet.moderngov.co.uk/documents/s33264/ARG%20committee%20report%20-%20Colindale%20FBC%20v0.3.pdf>

5.3 Locality Strategy submitted to ARG Committee in July 2016 – <https://barnet.moderngov.co.uk/documents/s33204/ARG%20committee%20report%20-%20Locality%20Strategy.pdf>