

Report No.

London Borough of Bromley

PART 1

Decision Maker: **EXECUTIVE**

Date: **30 November 2022**

Decision Type: Non-Urgent Executive Key

Title: **Future Council HQ Options**

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Chief Officer: Director of Housing, Planning, Property and Regeneration

Ward: All Wards

1. REASON FOR REPORT

- 1.1 This report is provided for the Executive to consider the future provision of the Councils Head Quarters with the options being to remain at the Civic Centre site and refurbish it or to relocate to a new site which is available subject to agreeing the right purchase price. The cost of the purchase would be offset by the disposal of the existing Civic Centre site.
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2. RECOMMENDATION(S)

Members are recommended to note the contents of this report in making their decisions as to which of the recommendations to pursue within the accompanying Part 2 Report.

Impact on Vulnerable Adults and Children

1. Summary of Impact: N/A
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Corporate Policy

1. Policy Status: Existing Policy
 2. BBB Priority: Excellent Council
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Financial

1. Cost of proposal:
 2. Ongoing costs:
 3. Budget head/performance centre:
 4. Total current budget for this head:
 5. Source of funding:
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Personnel

1. Number of staff (current and additional): Not applicable
 2. If from existing staff resources, number of staff hours: Not applicable
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Legal

1. Legal Requirement: Statutory Requirement
 2. Call-in: Applicable
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Procurement

1. Summary of Procurement Implications: Not applicable
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Not Applicable
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? As this is a Borough Asset individual Wards have not been consulted, however this report was circulated to all Councillors prior to publication.
2. Summary of Ward Councillors comments: N/A

3 BACKGROUND

Existing Civic Centre Options and Costs

- 3.1 Members will be aware that there have been various debates over the last 8 years or so as to the potential to refurbish the Civic Centre Office site.
- 3.2 The existing Civic Centre is in poor Condition. It has not been refurbished for many years and is not reflective of the organisation the Council wishes to be and continues to aspire to be - Staff feedback has reflected of this for many years.
- 3.2 Desking/chairs are predominantly 25+Years old and were designed for large desk mounted PC's and Box style monitors. The Civic Centre site houses an over storage of records/equipment/old IT.
- 3.3 The Operational Property Review has identified that the Maintenance Liability alone is circa £8-9M. The condition of the Centre has now reached a point where it is not economically viable to maintain it without a significant refurbishment. Emergency works have been and continue to be undertaken to deal with infrastructure and building fabric failures which has been a drain on the R&M budget and ultimately will lead to buildings which will not be either insurable or capable of occupation due to building failure leading to H&S breach. An example of this is the electrical infrastructure at the Civic Centre which urgently needs to be updated.
- 3.4 The total number of staff intended to be located at the Civic site is circa 1,600. However, that does not mean that at any one time there will be 1,600 staff on site. In the traditional pre-pandemic non agile working model office occupancy in most organisations (public and private) was that occupancy at maximum was circa 70% against the total number of desks provided on an assumed 100% provision of 1 staff member to 1 desk.
- 3.5 Organisations approach to Agile Working recognised this and sought to reduce building footprints to accommodate the true needs of the organisation to generate savings from an oversupply of building footprint. The gap between occupancy and provision is linked to the fact that staff do not need a permanent desk allocation due to annual leave, absence and evolving working practices linked to technology.
- 3.6 Assuming a 50% occupancy figure this does not mean that staff will all be sitting at desks as a high proportion of staff coming in are using the Civic for meetings or working from it in a desk bound way for only part of the time i.e. the Council has a high proportion of frontline workers will spend a significant amount time out of the office on case visits or community surgeries and therefore do not need a desk in the office whilst undertaking these activities. Therefore the 50% figure would be more than enough to deal with changes if more staff wished to base themselves at the Civic Centre in the future. This provision could be further increase by creating more desk space within the retained buildings by releasing meeting space in the future if required.
- 3.9 The following table reflects the Options which have previously been presented to COE/SAG with Option 2 at £35M being the preferred option.

Scheme	Detail	Gross Cost
1	Assumed 70% ratio. Full Refurb Stockwell to allow for closure of St Blaise New 2 Storey Reception/Atrium Extension to Stockwell for YJS	£38M

	<p>New entrance and road config from Roch Ave Re-configuration of wedding rooms in Palace New CCTV Building New Lodge within N Block Light refurb of Dem Hub New furniture</p> <p>North Block/Palace Offices and E/W Wings not included.</p> <p>NB - OPR Liabilities on retained parts still required</p>	
2	<p>Assumed 50% ratio. Medium Refurb to Stockwell to allow for closure of St Blaise and 2 floors of Stockwell. Light refurb of retained premises and new furniture/AV. Reconfiguration of Receptions. YJS Extension.</p> <p>NB - OPR Liabilities on retained parts still required</p>	£35M
3	<p>25% ratio. Dispose St Blaise and Stockwell and Med Refurb on retained. N Block Medium. Palace Wings Hub Medium +. Receptions combined. YJS accommodated. Registrars accommodated.</p>	£20M

- 3.10 In mid-August the Council was approached by the owners of a significant real estate asset within the Borough, to advise that due to changes in working practices with most staff working from home, that they were planning to vacate their building and relocate to a smaller Office location in Central London. Consequently, they wished to explore the potential future for their site. This was considered a potential opportunity for the Council and consequently the Council's Property Team were instructed to investigate the potential to see what a move from the existing Civic Centre site to this building would constitute.
- 3.11 The outcome of this work and the associated costs are provided in the accompanying Part 2 Report.
- 3.12 The recommendation contained within that report is that the Council should purchase this opportunity and if successful in purchasing it then move its operations there. It would then sell the existing Civic Centre site to offset the purchase price.

3.13 Due to the commercial sensitivity the detail on pricing, purchase strategy, due diligence and business case have been deemed Commercially Confidential and therefore are dealt with in Part 2.

4 IMPACT ON VULNERABLE ADULTS AND CHILDREN

4.1 There is not considered to be an impact on Vulnerable Adults and Children as a consequence of this decision.

5 POLICY IMPLICATIONS

5.1 It is essential that the Council manages its assets to meet the Council's aims and objectives.

6 FINANCE IMPLICATIONS

6.1 Are contained within the accompanying Part 2 Report.

7 PROCUREMENT IMPLICATIONS

7.1 Are contained within the accompanying Part 2 Report.

8 LEGAL IMPLICATIONS

8.1 Are contained within the accompanying Part 2 Report.

Non-Applicable Sections:	HR,
Background Documents: (Access via Contact Officer)	