



**Cabinet  
16 June 2014**

**Report from the Strategic Director  
Regeneration and Growth**

For Action

Wards affected:  
Tokyngton

**Leasing of Office Accommodation Brent Civic Centre,  
Engineers Way, Wembley, HA9 0FJ**

\*Appendix 1 is not for publication

Appendix 1 is not for publication as it contains the following category of exempt information as specified in Schedule 12A of the Local Government Act 1972, namely:

“Information relating to the financial or business affairs of any particular person (including the authority holding that information)”

**1.0 SUMMARY**

- 1.1 Following twelve months occupation to review the utilisation of space within the Civic Centre and, if appropriate, to approve leasing of office accommodation at Civic Centre, Engineers Way, Wembley

**2.0 RECOMMENDATIONS**

- 2.1 The Cabinet approve that a lease of up to 10 years is entered into on office accommodation in the Civic Centre in accordance with the details set out in the confidential appendix

**3.0 DETAIL**

**Background**

- 3.1 Brent Council currently provides administration office space for 2300 FTE staff at the Civic Centre. There are 1535 workstations in an office area of 12,831 sq. m. (1 workstation per 8.36 sq. m). This represents a good overall density for use of the building and is fully in accordance with best practice guidance taking account of the overall design and demands placed on a naturally ventilated building.

- 3.2 The building has been occupied since June 2013, with a full compliment of council staff occupying the building from September 2013 following a phased relocation over the preceding three months. Since then the building has been fully operational and during this period, despite inevitable teething problems with the building, the Council has not suffered a single loss of business hours. Over the past year, as is typical for all new builds, the Council has worked with consultants and the main contractor, Skanska, to work through a schedule of defects and snags. This process has been managed as part of the contractual Defects Liability Period which expired on 14 May 2014.
- 3.3 This defects process has entailed the council and its consultants engaging with the main contractor Skanska on a series of mini projects rectifying a number of defects and snags identified during part of the post construction and post occupation phase. The vast majority of these matters have now been successfully resolved and the remaining items will be resolved over the coming months. There are now additional building related projects which the Council will initiate and which will be led by Property's FM Team with costs contained within the overall Civic Centre Budget
- 3.4 This development project and the end of the Defects Liability Period allows the Council to begin to look longer term and seek to maximize the utilization of the Civic Centre. We can do this by a combination of measures; some will be HR related e.g. by re-launching the Council's flexible working policy, some will be building/construction work related - re-examining the break out areas and other non core office spaces within the Admin areas to possibly reconfigure the space to release potential additional office admin areas. Creation of additional work space will then allow the Council to consider additional requests for space from internal and external parties.
- 3.5 As part of the longer term planning, officers have been considering alternative uses and occupiers for any released administrative space within the Civic Centre. Consequently informal discussions have taken place with a party interested in a substantial letting of space within the Civic Centre. Officers have negotiated the terms of any such letting on a without prejudice and subject to contract and Cabinet approval basis. The main terms of this letting are set out in the confidential part of this report. It should be noted the proposal, if accepted, would make a significant contribution towards the revenue target for the Civic Centre. Furthermore it is known that the Council has a substantial financial target to achieve over the next couple of years in order to deliver a balanced budget. Therefore opportunities as presented by this particular commercial letting need to be fully considered.
- 3.6 Currently the first floor, west wing, of the Civic Centre is being held largely vacant except for a small property team, and space for ad hoc occupation such as the recent election team requirements and Skanska operatives. It is also used as informal storage space. Originally identified as the 'Partner Village' space it has been held vacant whilst the Council sought public sector and third sector partners; however to date the area which comprises 342 sq m and can accommodate about 57 workstations has not attracted any group which has adequate funding to take up this space.

- 3.7 Additionally, in terms of space for our Voluntary Sector partners, it is also worth noting that Brent, through a S106 agreement, lease office space from Quintain of approx. 340 sqm at 3,5 and 7 Rutherford Way, Wembley. This is a 5 year lease from October 2013. The building is a modern 2 storey office building which has been sub-let to the CVS Brent where a variety of voluntary sector groups are supported. Therefore the need to be located within the Civic has arguably been met by this alternative provision.
- 3.8 To test the supposition that the Civic Centre could have capacity, subject to a more efficient use of space, the Council's FM Team commissioned a space utilisation survey which has identified areas where additional or more efficient utilisation of space can be secured. This will require some modification but in broad terms can be achieved by better design and use of under used open-plan break out areas on floors 2 – 6. It is anticipated that this could on average create 24 new desk spaces on each floor (120 desks in total).
- 3.9 In addition a number of changes are occurring to staffing in the Civic Centre. In particular the recent contract to outsource the Public Realm maintenance to Veolia will result in staff transferring and moving out of the building, furthermore it is believed that Brent Housing Partnership staff will be transferring to Wates as part of the long term maintenance contract. These staff will be relocated out of the Civic Centre.
- 3.10 Furthermore there are a number of internal pressures to relocate staff to the Civic. These staff were not planned to locate to the Civic Centre when the business case for the building was approved. Some relatively small scale relocations can probably be accommodated as the workstation table below identifies. In addition if staff numbers decrease in future because of further reductions in spending or other outsourcing more space will become available.
- 3.11 Studies have concluded that the space that could most easily be made available for any third party commercial tenant is the upper floors. Therefore in regard to the current proposal officers have looked at the 7<sup>th</sup> and 8<sup>th</sup> West. This space is relatively discrete and can be made reasonably secure for any in-coming tenant. As the rest of the building will remain open plan and accessible, the Council will need to instigate procedures both for internal staff and also with the third party tenant to safeguard the Council operations. This aspect will be considered further subject to Member decision in conjunction with senior staff and HR.
- 3.12 This area (L7W & L8W) currently provides Brent with 134 workstations and totals about 1227 sq.m (about 9.5% of the office space). It has been calculated that staff from this area could relocate to the area identified for the partner village on the first floor. By reconfiguring the space on the first floor it is estimated that 83 workstations can be provided. This leaves a balance of 51 workstations that would need to be provided in the building for Brent staff. As identified at 3.8 above a further 120 desks could be accommodated in the Civic Centre therefore officers would need to decide on where the balance of the 51 workstations would be provided. This is considered to be manageable particularly when added to the staff that will be moving out of the Civic. The

additional workstations could be focused more for staff that are touching in for short periods or are out at meetings for much of the day. The creation of a dedicated touch down zone would be considered as part of this project.

### Workstation Table

Table below demonstrates the potential capacity in the Civic if changes are introduced and the 7<sup>th</sup> and 8<sup>th</sup> floors (west) are vacated for commercial letting.

	Area sq m	Workstations Current	Capacity
Ground floor	49 (vacant)	0	7
1 <sup>st</sup> Floor	342 (vacant) 267 (part occupied)	20 (7 occupied)	83
Current Surplus			83
7 <sup>th</sup> and 8 <sup>th</sup> floors West Wing	1,227	134	Available for commercial occupier
Shortfall of workstations with current layout of Civic			<b>-51</b>
Potential additional desking floors 2 to 6	Throughout Civic		<b>+120</b>
Potential Surplus workstations if occupation density increased			<b>+69</b>

3.13 The security aspects of having a third party commercial occupier will need to be carefully considered. Therefore the Council should not and will not accept any tenant unless deemed acceptable to the image of the Council and the Civic Centre; the one under current consideration is well known to the Council and is reputable with an International standing. However in regard to security issues it should be noted that the Civic already has other 3<sup>rd</sup> parties using the building, Capita, Serco, Metropolitan Police, Europa, Wates Living Space and Brent Housing Partnership. Along with contractual conditions and appropriate management controls it is envisaged that as part of a HR refresh about working in the Civic Centre staff can be reminded again about the need to ensure a clear desk policy is operated and that confidential discussions should take place only in appropriate settings. Therefore at this stage it is suggested that the current physical security arrangements remain in place.

3.14 The confidential Appendix sets out further commercial and other advantages to Brent.

## 4.0 FINANCIAL IMPLICATIONS

4.1 These are set out in the confidential appendix

## **5.0 LEGAL IMPLICATIONS**

5.1 Under Section 123 of the Local Government Act 1972 the Council has the general power to dispose of properties by way of sale or lease .The essential condition is that the Council obtains the best consideration that is reasonably obtainable unless it is a lease of 7 years or less.

5.2 Disposal on the open market either via auctioneer, marketing agent or to a special purchaser by way of private treaty will satisfy the best consideration requirement.

## **6.0 DIVERSITY IMPLICATIONS**

6.1 The building has a very high level of disability access it should be noted that any staff with access needs would be relocated to a location that meets their needs.

## **7.0 STAFFING/ACCOMMODATION IMPLICATIONS (if appropriate)**

7.1 There will be the need to relocate staff working from the 134 workstations from the 8<sup>th</sup> Floor West and 7<sup>th</sup> Floor West.

7.2 There will be increased use of the café on the first floor along with the other publically accessible areas.

## **8.0 BACKGROUND PAPERS**

None

### **Contact Officers**

James Young Head of Assets and Valuation

Richard Barrett, Operational Director Property & Projects

**Andy Donald, Director of Regeneration and Growth**