

Cabinet – 27 May 2021

Reference from the Overview and Scrutiny Committee – 17 May 2021

165. The Council's Accommodation Strategy and the Harrow New Civic Centre

Members received a report which presented the proposed approach to the Council's future accommodation, outlined the reasons for this and sought the necessary approvals for carrying out works to the Forward Drive Depot, incorporating the proposals in the Harrow Strategic Development Partnership Business Plan. The Committee were asked to consider the report prior to its submission to Cabinet.

The Leader of the Council introduced the report and highlighted the following:

- Like many organisations, since the pandemic there had been a shift in the way the Council worked with an increased move towards online and remote working. This emphasised that the need for future office-based work had reduced.
- Staff surveys had revealed that being able to work remotely had created a better working environment for many of our staff.
- The current Civic Centre was no longer fit for purpose due to substantial financial costs and approaching the end of life. The Depot site would be able to accommodate all the required staff working in an agile environment.
- 40 carpark spaces were the maximum achievable at the new Civic Centre space.
- The proposals provided the opportunity for more affordable housing as well as staff to being able to work in a more modern working environment.

The Interim Director of Commercial Development advised:

- This was the second of three reports for finalising the establishment of the Harrow Strategic Development Partnership. The first report was the appointment of Wates as preferred bidder and the key part of this report had been for the accommodation strategy to be agreed and the HNC in particular. The recommendations would then inform the final business plan for setting up the partnership.

- The report set out the change of situation, the learning from the wider market, the development of the flexible futures programme and the experience of the pandemic which changed the Council's requirements.
- The Forward Drive Depot was available for high quality offices. There were constraints on the depot letting and noted that it would nevertheless be an improvement on the existing buildings.
- As the Forward Drive Depot was not necessarily an appropriate space, the report also addressed the identification of ancillary spaces.

The Director of Finance highlighted the financial implications of the report including:

- The accommodation strategy, fitting out the Forward Drive Depot for staff which would cost circa £7.6m in terms of capital which had already been accounted for in the Council's capital programme. This meant that no extra capital would need to be added to the existing budget.
- There was an associated revenue cost of £725,000 which was primarily for ancillary spaces which had been accounted for in the 2020/21 outturn report.
- The financial implications for the Council in relation to the Harrow Strategic Development Partnership, highlighted that, based on the current Business Plan model, there would be no impact on the general fund.
- The Council's total capital investment over the initial 12-year period of the scheme would be £48.6m. This covered the Council's investment in the Harrow Strategic Development Partnership and the new Civic Centre. The financial model also showed that the Council would receive capital receipts from the Harrow Strategic Development Partnership which would cover the Council's capital investment leaving the Council with a net borrowing requirement estimated at £10.2m.
- The Council would receive a series of interest payments from the Harrow Strategic Development Partnership to cover capital financing cost.
- Consideration should be given to using dividends received from the arrangement and will be used to clear any debt from this arrangement.

Members asked questions and had a discussion in relation to the following areas:

- The content in the exempt section of the report should be reviewed as it may be possible to make it available to the public.
- Appropriate facilities for services were required. Queries were raised about where various essential front desk services would be located across the borough and how permanent this would be. Concerns were also raised about the level of detail and consistency being provided, and whether the strategy fully met the needs of future service provision.
- Flexible working should meet the needs of the Council. Queries were raised about whether the long-term impact of partial remote working was being considered and accounted for, and the flexibility for any future changes in work patterns. Also, how confidentiality could be maintained in a more open and flexible work setting.
- In response to concerns raised regarding public safety for journeys home in the evening, given the level of parking at the new Civic Centre, it was noted that measures would need to be put in place for staff, Members and residents to ensure this was maintained.
- The planned split between the Council's democratic functions at the new Civic Centre and administrative functions at Forward Drive, the impact on accountability and future running of the council, and where senior officers would be based.
- Financial issues and queries were raised, including the level of borrowing and financial returns, the additional costs of fitting out Forward Drive, the cumulative costs of the new Civic Centre and Forward Drive schemes, and when a business plan would be available to support the Accommodation Strategy.
- The level of parking provision, including whether 40 spaces at the new Civic Centre would be sufficient to support its planned use, and how this would affect its accessibility to members, officers and the local community.

Members went on to discuss and question specific details of the Council's Accommodation Strategy and the Harrow New Civic Centre as follows:

- In response to the challenge that some services had not yet been assigned a designated location from which to operate, Members were advised that this was largely down to delays caused by the pandemic, but that space was available to accommodate them. Locations were being considered which would make services such as homelessness more accessible. Time was available for the optimum scenarios to be considered. It was noted that the current Civic Centre would remain until October 2022.
- Regarding concerns over the practicality of using Libraries and the Art's Centre for council front desk services, it was noted that these

facilities had available rooms that had previously been used to deliver services. Children services access points would be designated to an appropriate location with various options available for consideration. Libraries would be considered for services such as housing benefits and Council Tax.

- The Committee questioned how the needs of staff would be met once the move occurred, an officer advised that focus groups had been collecting information with engagement taking place at several levels of the organisation to ensure accessibility was addressed. The Civic Centre was being used as a pilot prior to the opening of Forward Drive.
- Concern was expressed in relation to the protection of data and was advised that protection for data held electronically had been enhanced with the recent improvements to devices, software and storage. With the reduction in photocopying and printed that had happened through remote working, the risk of a breach for data recorded on paper had also reduced. Officers would work with focus groups to look at further ways data protection could be enhanced in an agile working environment.
- The Committee emphasised the importance of public engagement and the need to ensure that it was still at the forefront, especially in view of the significant changes since the previous civic centre proposals. It was noted that publicity and engagement with the public on this project had started in 2014 and the Council would make sure that services would be accessible.
- Regarding how services would be designated across Harrow, it was highlighted that existing services were already stationed at multiple locations.
- Members sought reassurance as to how the agile working strategy would suit Harrow and its delivery of priorities as well as how the change in attitude towards working from would affect the strategy. It was noted that time worked in the office had been under significant consideration which concluded that 50% would be an optimal ambition. It was found that staff would want the flexibility of working from home but would not want to be completely remote. For this reason, it was planned to reopen the current Civic Centre as the Civic Hub as soon as possible. It was also noted that prior to the Pandemic the Civic Centre had been occupied at a 50-60% capacity. The Volterra report noted that there had been a steady reduction in workspace and suggested 50% time in the office would be optimal.
- In response to the concern that the interaction between Members and Senior Staff would be more difficult maintained when split between two main locations, the Committee were advised that it would be possible for Members and Officers to work from both the Forward Drive Depot as well as the new Harrow Civic Centre. It was expected with this

fluidity and the use of hybrid and virtual meetings, interaction would be increased.

- The point of communication was raised as a potential issue, and the Committee were informed that communication with senior staff had improved since the Council moved to more remote and electronic forms of communication. The arrangement of meetings should not be an issue. It was noted that there would be multiple ways of interacting from desk space, private meeting rooms and public Café space.
- Regarding the concerns over the longevity of the strategy, an officer advised that working remotely had been proven to work during the past year, but that it had highlighted that there were improvements that could be made for staff hence why it would be made possible for staff to work in an office for 2-3 days of week. This would be tested via the Civic Hub.
- Clarification was sought in relation to the location of services in the Borough. In response, it was advised that for many years the Council has had a strategy of moving services on-line which has led to fewer residents visiting the Civic Centre. However, there was a commitment to make sure that services could still be accessible for residents in person from other locations across the Borough.
- Clarification of details within the business plan were requested and the Interim Director of Commercial Development explained that further due diligence would be undertaken with the Housing Revenue Account (HRA) before the costs were agreed, as the current assumptions made by the HSDP (Wates) exceeded the Greater London Authority (GLA) assumed costs.
- In response to a Member's comments that increased understanding of the HRA was required, the Director of Finance explained that the HRA business plan had assumed an average unit price of £325,000 per affordable housing unit. However, the current financial viability model gives a costing of £345,000 per affordable housing unit. This report had highlighted this difference and that due diligence would need to be done to reconcile these unit prices before a decision could be made.
- The Committee challenged how the Borough would handle the taxation of this partnership. The Director of Finance advised that the dividends were defined as the money received from the HSDP as units are sold by the partnership, which would be a share of the sales made. The taxes had been accounted for with the LLP having been set up in the most tax efficient way.
- The Committee sought further explanation/ a breakdown of the fit-out costs for the Forward Drive Depot. The costs broken down covered: local area network arrangements, audio and visual requirements, moving costs and costs for ancillary spaces. The building included 38,000 square feet, this included: furniture, a café, welfare facilities,

reception area, IT and audio, a CCTV room, toilets, showers, muster rooms, building management software and mechanical and electrical fittings.

- It was also noted through discussion that the fit-out costs for Harrow New Civic would include fixtures, fittings and equipment.
- Concern was expressed in relation to parking and the accessibility and safety for visitors. An officer responded that the HNC car park had been planned to provide six accessible spaces on the ground floor with an additional 40 spaces within the basement carpark for visitors, staff and Members. The Harrow New Civic had an excellent rating for Public Transport Accessibility.
- The Committee questioned the commercial prospects at Forward Drive as there were café spaces which had the possibility of being commercially let as well as other units which could be, and in many cases already were being commercially let. Similar considerations applied to the Café at HNC.
- As a result of concerns raised over the issue of public safety the Committee highlighted this as a priority that required serious consideration. In response, Members were advised that commitment to the safety of staff and residents had been taken seriously with options such as taxis provided as a way for those attending evening meetings to travel home safely. Daytime meetings could also be considered. Works in Wealdstone itself had improved public safety.
- In response to a request for clarification in relation to the the funds for Poet's Corner, the Director of Finance explained that the funding for Poet's Corner had already been provided for through the capital programme and any borrowing required would be paid back through the returns of the Harrow Strategic Development Partnership.

The Chair thanked Members for their contributions and questions and officers for their presentation and responses.

RESOLVED: That the Committee's comments in relation to the Council's Accommodation Strategy and the Harrow New Civic Centre be forwarded to Cabinet for consideration.

For Consideration

Background Documents:

Agenda of Overview and Scrutiny Committee – 17 May 2021: Report on The Council's Accommodation Strategy and the Harrow New Civic Centre.

Draft Minutes of Overview & Scrutiny Committee – 17 May 2021

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