

Committees:		Dates:
Corporate Projects Board Projects Sub Courts Sub		10 January 2017 31 January 2017 9 February 2017
Subject: External Repair Works at Magistrates Court	Gateway 1&2 Project Proposal Regular	Public
Report of: City Surveyor Report Author: Alison Hurley – Head of Facilities Management		For Decision

Recommendations

1. Approval track and next Gateway	Approval track: 2. Regular Next Gateway: Gateway 3/4 - Options Appraisal (Regular)													
2. Resource requirements to reach next Gateway	<table border="1"> <thead> <tr> <th>Item</th> <th>Reason</th> <th>Funds/ Source Funding</th> <th>of</th> <th>Cost (£)</th> </tr> </thead> <tbody> <tr> <td>Engage Consultants</td> <td>Undertake survey of works required and produce proposal options</td> <td>Local risk maintenance budget</td> <td></td> <td>£15,000</td> </tr> </tbody> </table>				Item	Reason	Funds/ Source Funding	of	Cost (£)	Engage Consultants	Undertake survey of works required and produce proposal options	Local risk maintenance budget		£15,000
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Engage Consultants	Undertake survey of works required and produce proposal options	Local risk maintenance budget		£15,000										
3. Next steps	Engage a consultant to review the works required and produce a survey of options for consideration at Gateway 3 / 4 stage.													

Project Summary

4. Context	<p>4.1 The Magistrates Court is a grade II listed building and as much requires the City to maintain it to the appropriate standard.</p> <p>4.2 The forward maintenance plan for the Magistrates Court has identified a significant amount of external works required in the next few years.</p> <p>4.3 The building itself is in a poor state and hasn't had any work spent on the external façade for at least 30 years and the work is now urgently required.</p> <p>4.4 A recent external façade inspection has identified areas of stonework that require repair and it is anticipated that these works will be included into the overall project.</p>
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	<p>4.5 It would make practical sense that all of the external works are combined and completed at the same time. This will assist with reducing the cost of the overall project.</p>
<p>5. Brief description of project</p>	<p>5.1 The forward maintenance plan has identified the following external works required for completion in year 18/19:</p> <ul style="list-style-type: none"> • External Decorations including cleaning of the stonework • Roof Replacement • Replacement of the tank room on the roof • Window Refurbishment including replacement • External stonework repair <p>5.2 Initially we need to engage a consultant who will be able to review the work required and identify the overall value of the project.</p>
<p>6. Consequences if project not approved</p>	<p>6.1 If the project is not approved the condition of the external façade of the building will continue to decline. This will ultimately increase the maintenance costs for the building and reduce the value of the asset.</p> <p>6.2 The poor repair of the building will have a detrimental effect on the delivery of the Court Service at 1QVS and in the latter's perception of the City's commitment to it. It will also have a reputational impact on the City as it will be deemed as an eyesore by its neighbours and not fitting with the area it is situated.</p>
<p>7. SMART Objectives</p>	<p>7.1 This project identifies specific external works which are required on the building. The City has set itself a clear timescale to achieve these works and the outcome of the project will be measurable by the improved condition of the building and the improved conditions for the current occupiers.</p>
<p>8. Success criteria</p>	<p>8.1 The building fabric of the Magistrates Court will be improved and brought up to a modern standard which will allow the building to continue to provide the service it does for a long time in the future.</p> <p>8.2 This project will assist with reducing the Bow Wave of maintenance that has built up for the operational property portfolio.</p>
<p>9. Key Benefits</p>	<p>9.1 The City maintains a building that is kept in a good to fair condition</p> <p>9.2 It continues to allow the City to provide good accommodation for the Magistrates Court service to remain within the City boundary</p>
<p>10. Notable exclusions</p>	<p>Decanting of occupants</p>

11. Governance arrangements	Spending Committee: Policy and Resources Committee Senior Responsible Officer: Alison Hurley Project Board: Yes
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Prioritisation

12. Link to Strategic Aims	2. To provide modern, efficient and high quality local services, including policing, within the Square Mile for workers, residents and visitors
13. Links to existing strategies, programmes and projects	<ul style="list-style-type: none"> • The proposals in this list support the theme “Protects, promotes and enhances our environment” within the City Together Strategy. • This scheme continues the City’s on-going Corporate Property Asset Management Strategy and the strategic objectives contained therein to manage the City’s operational assets effectively, efficiently and sustainably to deliver strategic priorities and service needs. Furthermore consideration will be made to any other strategic asset management decisions, which reflect the wider corporate objectives to ensure that the City can meet its overall criteria relative to the management of its property assets. <p>2013 – 2017 Corporate Plan Strategic Aims</p> <ul style="list-style-type: none"> • SA2. To provide modern, efficient and high quality local services and policing within the Square Mile for workers, residents and visitors with a view to delivering sustainable outcomes. <p>KPP4. Maximising the opportunities and benefits afforded by our role in supporting London’s communities.</p>
14. Project category	7a. Asset enhancement/improvement (capital)
15. Project priority	A. Essential

Options Appraisal

16. Overview of options	<p style="text-align: center;">1. Consolidate Projects</p> <p>Bundle all of the required works together in line with the Forward Maintenance Plan and Façade Inspection to allow all of the works to be carried out within a definitive time period. This approach should allow for cost savings such as only needing to hire scaffold once.</p>
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	<p>2. Individual Projects</p> <p>Take each project as identified in the forward maintenance plan and façade inspection forward as individual projects.</p> <p>3. Continue to defer the external works</p> <p>Defer the works year on year adding to the back log of maintenance works for the operational property portfolio</p>
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Project Planning

17. Programme and key dates	<p>Overall programme: September 2018</p> <p>Key dates:</p> <p>April 2017 – Engage Consultant</p> <p>May 2017 – Survey of works</p> <p>July 2017 – Gateway ¾ and Listed Building Consent</p> <p>October 2017 – Tender works</p> <p>March 2018 – Works commence on site</p> <p>September 2018 – Works completed</p>
18. Risk implications	<p>Overall project risk: Green</p> <p>The continued deterioration of the building if the work is not completed.</p>
19. Stakeholders and consultees	<ol style="list-style-type: none"> 1. Her Majesty’s Court Service 2. City of London Aldermen 3. Mansion House and other local businesses due to noise disruption

Resource Implications

20. Total estimated cost	<p>Likely cost range: Figures at: Current Prices (Longer Term Projects)</p> <p>2. £250k to £5m</p>							
21. Funding strategy	No funding confirmed	Mixture - some internal and some external funding						
	<table border="1" style="width: 100%;"> <thead> <tr> <th style="width: 70%;">Funds/Sources of Funding</th> <th>Cost (£)</th> </tr> </thead> <tbody> <tr> <td> To be funded through a mixture of: <ul style="list-style-type: none"> • HMCTS contributions, • Possible CWP provisions aligned with the 20 year cyclical maintenance plans • request for a contribution from the City’s Cash Annual Provision for New Schemes </td> <td style="text-align: right; vertical-align: top;">£3,000,000</td> </tr> <tr> <td style="text-align: right;">Total</td> <td style="text-align: right;">£3,000,000</td> </tr> </tbody> </table>		Funds/Sources of Funding	Cost (£)	To be funded through a mixture of: <ul style="list-style-type: none"> • HMCTS contributions, • Possible CWP provisions aligned with the 20 year cyclical maintenance plans • request for a contribution from the City’s Cash Annual Provision for New Schemes 	£3,000,000	Total	£3,000,000
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Total	£3,000,000							

	<p>S29 of the Courts Act 1971 provides the overarching basis for the legal relationship between the City and HMCTS under which the City is obliged to provide the building for occupation by HMCTS.</p> <p>A Memorandum of Understanding between the Parties dated 24 March 2005 sets out that HMCTS can give 3 months' notice of its intention to vacate but also provides the obligation for the City to keep the Premises in "appropriate repair and condition subject to agreement (with HMCTS) as to programme, scope and cost of repairs."</p> <p>Under the terms of the MoU, HMCTS is obliged to reimburse the City annually for costs in excess of £85,000 index linked (currently at £114,000) incurred in keeping the Property in appropriate repair and condition.</p> <p>Owing to the limited works undertaken by the City to date and the effect of budget rollover, HMCTS's commitment to expenditure on the property has not been tested. The City will seek approval from HMCTS for their contribution towards any works prior to committing to the same.</p> <p>The City's emerging Courts Strategy to be developed in consultation with HMCTS will help to address these risks to future planned maintenance and repair.</p>
<p>22. On-going revenue implications</p>	<p>The on-going revenue costs will be picked up as part of the Building, Repairs and Maintenance budgets held by the City Surveyors Department.</p>
<p>23. Investment appraisal</p>	<p>Not Applicable</p>
<p>24. Procurement strategy/Route to Market</p>	<p>The Consultant Team and Main Contractor procurement will be via and open tender advertised on the City's Esourcing portal</p>
<p>25. Legal implications</p>	<p>None</p>
<p>26. Corporate property implications</p>	<p>The Corporate Property Group supports the recommendation which addresses the Key Strategic Objectives set out in the City's Corporate Asset Management Strategy 2012/2016:-</p> <p>S01 Operational assets remain in a good, safe and statutory complaint condition; and</p> <p>S02 Operational assets are fit for purpose and meet service delivery needs.</p>
<p>27. Traffic implications</p>	<p>None</p>
<p>28. Sustainability and energy implications</p>	<p>There is potential for the property to have reduced energy costs due to the installation of new windows and roof to allow the building to become more energy efficient.</p>

29. IS implications	None
30. Equality Impact Assessment	An equality impact assessment will be undertaken

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