

CITY SURVEYOR GOLD SHEET
COMMITTEE REPORT / REPORT CONSULTATION* ("delete as necessary")
PROGRESS & APPROVAL FORM

REPORT TITLE	External Repair Works at the City of London Magistrates Ct Gateway 3/4 Court Sub	
COMMITTEE(S)	Projects Sub	
COMMITTEE DATE(S):	11 June 2018	
	13 June 2018	
prepared by:	S. WILLIAMS / A. LEED	date: 01/06/18

CS Report Number	CS: 225/18	dates
AGENDA PLANNING ADVISED - Public / Non-public <small>(delete as necessary)</small>	23/05/18	
GATEWAY	3	
VALUATION PANEL APPROVAL/ VCF	N/A	

DRAFT REPORT APPROVAL:		
Assistant Director:	A. KIRKBY	Director: A. KIRKBY - For PETE COLLINSON

TIMETABLE			
FINAL REPORT Sign-off date :	Town Clerk Circulation date : 23/05/18		
CONSULTATION (see notes)	Who (sent to)	date sent	Returned
Corporate Property Group (CPG)	P. F	23/05 (email)	31/05
Property Project Group (PPG)	—	—	—
Investment Property Group (IPG)	—	—	—
Operations Group (OG)	P. C / A. H	23/05 (email)	21/06
C&CS	P. M	"	—
Chamberlain	A. M	"	25/05
Property Policy Officer / Project Policy Officer	S. B	"	01/06
HR	—	—	—
Others - Eg Capital Team in Chamberlains for disposals	J. J	23/05 (email)	01/06

FINAL REPORT APPROVAL:		
Assistant Director: A. KIRKBY	Director: A. KIRKBY	- For PETE COLLINSON.
City Surveyor... 		

PDF electronic copy to TC (incl. appendices):

Please see notes on the reverse

NOTES:

All reports must

- (a) comply with corporate Guidance on Committee Report Writing and Attending Meetings and the departmental QMS procedure
- (b) be no more than 4 pages.
- (c) Observe the department timetables for Committee reports.

It is the responsibility of the officer initiating the report to consult and seek comments and input from the following parties

1 INVESTMENT PROPERTY GROUP / CORPORATE PROPERTY GROUP GATEWAY PAPER

- (a) Notify the Relevant Finance Section/Unit and Administration Officer for the relevant committee
- (b) To consult and obtain agreement from PPG on costs, procurement and programme related issues
- (c) Where appropriate seek OG comments on life cycle on FM related costs
- (d) Seek the views of other departments, although reports must not be circulated for comment until they have been approved by a Director.
- (e) Update draft attachments during progress to final version.
- (f) Where necessary supply briefing papers to the Administration Officer and representative at Committee.

2 GENERAL

- (a) The final hard copy plus this approval cover sheet should be given to the City Surveyor for sign off.
- (b) Once signed the final PDF version together with all appendices should be emailed to the Responsible Directors PA for onward transmission to the Town Clerk and for storage on the City surveyor's electronic filing system.
- (c) All necessary timetables for consultation, forwarding to Town Clerk and liaison with key chairman should be observed.
- (d) **Sustainability Impact:** Signing off this form is confirming that the report has been developed in accordance with the City of London Corporation Sustainability Framework or that the report contains a comment on the sustainability.
- (e) **Equalities and Inclusion:** Signing off this report is confirming that impacts of the reports proposal on protected equality groups has been considered and corporate guidance complied with.
- (f) Electronic copies -- PDF with Appendices.- Word versions to be issued to Town Clerks.

COMMENTS

Committees:	Dates:	
Court Sub Projects Sub	11 June 2018 13 June 2018	
Subject: External Repair works at the City of London Magistrates Court Gateway 3 Report reference: CS/225/18	Gateway 3 Options Appraisal(Regular)	Public
Report of: City Surveyor	For Decision	
Report Author: Jessica Lees & Samantha Williams – City Surveyors Department		

Summary

Dashboard

- Project Status – Green
- Timeline: The project was approved at gateway 1/ 2 for an option appraisal to be submitted under gateway 3/ 4
- Approved expenditure at gateway 1/ 2 - £15,000
- Spend to date: £5,184 (£9,816 remaining)
- Requested expenditure for this gateway - £20,000 (£9,816 from original £15,000 and £10,184 uplift)
- Total estimated project cost (option 2) - £541,000 (to be confirmed at gateway 4/ 5)

Progress to date

The forward maintenance plan for the Magistrates Court has identified a significant amount of external works required over the next few years.

Members approved a gateway 1/ 2 report in January/February 2017 to instruct a consultant to carry out a survey on options to be presented at gateway 3/ 4.

The building itself is in a poor state and hasn't had any work carried out on the external façade for at least 30 years, and work is now urgently required. To support this point, in June 2017 there was a discovery of unsafe stonework, which meant as a matter of urgency a "tap/hammer test" took place and any stonework deemed unsafe was removed. The options presented in this report continue on from this work.

Carden & Godfrey Architects were appointed to carry out the options appraisal. Their report highlighted that essential works are required and presented three options following a short, medium and longer term strategy.

This gateway report has changed from the proposed 3/ 4 to a gateway 3 to allow the team to agree the funding strategy with HMCTS and develop the specification, with an appropriate procurement strategy to be proposed at gateway 4/5.

Overview of options

Option 1 - short term/immediate

To continue maintaining the building to its current condition and only carry out immediate works to areas that pose a health and safety risk. This option also includes short term cyclical maintenance i.e. repairs and decoration but not renewal. The total estimated cost for this option would be £363,000 including consultant's fees for the design stage of £15,000 to progress this project to gateway 4/ 5. This option ensures that the general condition of the building will not immediately deteriorate, however in time the cost of repairing what is broken and leaking will steadily increase and may get to a stage where the building may become uninhabitable.

Option 2 – medium term (Recommended Option)

To carry out cyclical maintenance at an estimated total project cost of £541,000, including consultant's fees of £20,000 for the design stage. This option would address immediate requirements and ensure the building is maintained to a good condition for the next 5 years which is in line with the City Surveyor's Asset Management Strategy for the Operational property Portfolio. This option will not reduce the future maintenance costs but would keep the costs manageable and predictable for the next 5 to 10 years.

Option 3 – long term

To carry out a full overhaul, replacing all elements that require replacement and repair those deemed necessary. The total estimated cost would be £1,242,000, including consultant's fees of £25,000 for the design stage. Although this option would provide a greater confidence for the future condition of the building and reduce cyclical maintenance costs, it is deemed not feasible for a building where occupiers are due to vacate in 5 – 10 years. This option would also have the greatest upfront expenditure and would cause the greatest disruption to the operation of the Courts.

The requirement to carry out significant external work to the Magistrates Court over the next few years was identified by the forward maintenance plan. The option appraisal presents the opportunity to deliver this work under one project, which will be more cost effective, less disruptive to HMCTS and demonstrates to HMCTS the City's commitment to the property.

Proposed way forward

The proposed way forward is for Members to approve the recommended option 2 so that consultants can be appointed to prepare a specification enabling the City to tender the works and proceed to a gateway 4/ 5, authority to start work.

By agreeing to option 2 the City would be ensuring that the building is maintained in a good condition and with more manageable and predictable maintenance costs over the next 5 years or until the final decision is made regarding the future of this asset.

Whilst the design stage is underway, the City will agree a funding strategy with Her Majesty's Court and Tribunal Service (HMCTS). A Memorandum of Understanding with the Lord Chancellor sets out the mechanism to recover costs that exceed a set threshold. Initial discussions are already underway with HMCTS and we will report back at gateway 4/ 5 on agreement to the funding of this project.

As this work is essential to ensuring that the external fabric of the building is brought up to a safe standard and ensuring that the building is fit for purpose, we recommend that option 2 is approved so that the design process can start and ensure no further delays are incurred whilst an agreement is made with HMCTS.

Procurement approach

Consultants, further surveys and works will be procured in accordance with the purchasing arrangements details in the City of London Procurement Code.

Design stage

We will work with City Procurement to appoint consultant(s) to carry out indepth surveys and draw up the necessary specification against the recommended option.

Construction stage

As the project is estimated over £400,000 but less than the EU threshold, we will be approaching City Procurement to undertake a competitive tender via the Capital e-Sourcing portal. A PT4 form will be submitted at gateway 4/ 5.

Option 2 – breakdown of costs

Option Appraisal	Rounded up to £,000
Feasibility survey and report	£5,000
Option appraisal sub total	£5,000
Design Stage – Specification to tender	
Consultants Fees	£10,000
Surveys	£10,000
Design stage sub total	£20,000
Construction Stage	
Asphalt Roof Repairs – Patch repairs, application of solar reflective paint and re-slate mansard slopes	£112,000
Cladding and Rainwater Pipe Works – Patch repairs to copper cladding, replacement of lead weathering, replacement of asphalt gutter, CCTV survey of internal rainwater pipes	£13,000
Stonework Repairs – Parapet wall repairs, repointing of open mortar joints	£51,000
External Redecoration Works – Repairs to metal windows, grilles and joinery, redecoration roof top joinery and doors	£42,000
Prelims and Scaffolding	£218,000
Consultants Fees (inc. Project Manager, Lead Designer, H&S, Listed Building)	£75,000
Construction stage sub total	£511,000
Staff project costs	£5,000
Total estimated project total (all stages incl staff costs)	£541,000

Costs presented within the table above are based upon estimated outturn prices.

Recommendations

Members are asked to:

- Approve option 2, to carry out essential works which will ensure the building is maintained to a good condition for the next 5 years, whilst substantial progress is made on the new judicial centre.
- Approve the recommendation to consolidate the work and deliver under one project.
- Approve a gateway 3 cost of £20,000, made up of the remaining £9,816 from the original £15,000 budget approved at gateway 1/ 2 and uplift of £10,184 from the City's Cash Annual Provision for New Schemes. This will be to develop a specific design and specification ready to tender the works.
- Note that the current total project estimated cost is £541,000. A funding strategy is to be agreed with HMCTS and submitted to Members within a gateway 4/ 5 report.
- Note that we will engage with City Procurement and present preferred procurement route also to be presented within the gateway 4/ 5 which will be submitted for Committee approval.

Appendices

Appendix 1	Options Appraisal Matrix
Appendix 2	Risk register

Contact

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Telephone Number	0207 332 1759

Appendix 1 - Options Appraisal Matrix

	Option 1	Option 2	Option 3
1. Brief description	Short term/ immediate health and safety work to externals	Medium term, including immediate work (recommended option)	Long term, including immediate health and safety items
2. Scope and exclusions	<ul style="list-style-type: none"> • To carry out patch repairs to roof, copper cladding, mansard roof slopes and asphalt guttering; • Apply application of solar reflective paint to asphalt; • CCTV survey of rainwater pipes; • Repairs to parapet wall stonework and repointing of open mortar joints; • Repairs and redecoration to railings and window joinery; • Redecoration of joinery/doors and metal windows; 	<ul style="list-style-type: none"> • To carry out all works as per option 1 and the following; <ul style="list-style-type: none"> • Remove cables and other fixings from copper cladding and patch repair; • Replacement lead weathering to cable entry; • Re-slate rather than patch repair mansard roof slopes; • Replace rather patch replace asphalt gutter. • All scaffolding for the duration of the project. 	<ul style="list-style-type: none"> • To carry out all works as per option 1 and 2 and the following; <ul style="list-style-type: none"> • Replacement of asphalt to main roof; • Insulation to roof areas; • Stonework repairs to elevations and stone cleaning; • Replacement of lead protection to string courses and pediments; • Replacement of windows were required; • Repairs/replacement of broken or missing ironmongery to windows; • Replacement of steps and repair of door; • All scaffolding for the duration of the project.

Project Planning	Option 1	Option 2	Option 3
3. Programme and key dates	<ul style="list-style-type: none"> • Gateway 3 Approval: June 2018. • Appointment of Consultants: July 2018. • Surveys undertaken: • Review of information with Consultants: September 2018. • Contract Documents Drafted: September 2018. • Procurement of Works: November, December 2018. • Tender Review: January 2019. • Works Start on Site: March 2019 (Subject to Surveys, Scope of works affected by weather, Highways Licences/Closures). • Completion date: September 2019 	<ul style="list-style-type: none"> • Gateway 3 Approval: June 2018. • Appointment of Consultants: July 2018. • Surveys undertaken: • Review of information with Consultants: October 2018. • Contract Documents Drafted: October, November 2018. • Procurement of Works: December, January 2019. • Tender Review: February 2019. • Works to Start on Site: April 2019 (Subject to Surveys, Scope of Works affected by weather, Highways Licences/Closures). • Completion date: December 2019 	<ul style="list-style-type: none"> • Gateway 3 Approval: June 2018. • Appointment of Consultants: July 2018. • Surveys undertaken: • Review of information with Consultants: October 2018. • Review of information with Consultants: October 2018. • Contract Documents Drafted: October, November 2018. • Procurement of Works: December, January 2019. • Tender Review: February 2019. • Works Start on Site: April 2019 (Subject to Surveys, Scope of Works affected by weather, Highways Licences/Closures). • Completion date: March/April 2020

	Option 1	Option 2	Option 3
4. Risk implications	<ul style="list-style-type: none"> Part or full closure of building if deemed unsafe. This in turn will increase costs to address major repairs and leaks under urgent conditions. The City does not fulfil its statutory obligations under the Courts Act and MoU. A building failure could compromise the City's property insurance cover. 	<ul style="list-style-type: none"> Part or full closure of building if deemed unsafe. The City does not fulfil its statutory obligations under the Courts Act and MoU. A building failure could compromise the City's property insurance cover. 	<ul style="list-style-type: none"> Part or full closure of building if deemed unsafe. The City does not fulfil its statutory obligations under the Courts Act and MoU. A building failure could compromise the City's property insurance cover.
5. Benefits and disbenefits	<p>Benefits</p> <ul style="list-style-type: none"> Current condition is maintained. Least disruption to Court service whilst carrying out work. <p>Disbenefits</p> <ul style="list-style-type: none"> Reactive costs will increase over time. 	<p>Benefits</p> <ul style="list-style-type: none"> Building is maintained to a good condition. Maintenance costs will be manageable and predictable. <p>Disbenefits</p> <ul style="list-style-type: none"> Minimal disruption to the Court Service Operations. 	<p>Benefits</p> <ul style="list-style-type: none"> Greater confidence in condition of building. Future cyclical maintenance costs are reduced. <p>Disbenefits</p> <ul style="list-style-type: none"> Greatest disruption to Court service.
6. Stakeholders and consultees	Her Majesty's Court Service Town Clerks	Her Majesty's Court Service Town Clerks	Her Majesty's Court Service Town Clerks

	Option 1	Option 2	Option 3
	Planning/ Heritage	Planning/ Heritage	Planning/ Heritage
Resource Implications			
7. Total Estimated cost	£363,000	£541,000	£1,242,000
8. Funding strategy	<p>Request for a contribution from the City's Cash Annual Provision for New Schemes to proceed to gateway 4/5.</p> <p>Funding strategy will be agreed with HMCTS for total project costs.</p>	<p>Request for a contribution from the City's Cash Annual Provision for New Schemes to proceed to gateway 4/5.</p> <p>Funding strategy will be agreed with HMCTS for total project costs.</p>	<p>Request for a contribution from the City's Cash Annual Provision for New Schemes to proceed to gateway 4/5.</p> <p>Funding strategy will be agreed with HMCTS for total project costs.</p>
9. Estimated capital value/return	Not applicable	Not applicable	Not applicable
10. Ongoing revenue implications	This option would address immediate health and safety issues, however does not cease from the future requirement of reactive repairs which would be costly to the budget held by the City Surveyors Department.	This option will have a positive effect, rationalising on-going revenue costs, ensuring these are predictable and easily managed within the Building, Repairs and Maintenance budget held by the City Surveyors Department.	This option has the largest upfront cost, however would mean that revenue costs would be reduced to cover routine maintenance from the local risk budget held by the City Surveyors Department.

	Option 1	Option 2	Option 3
11. Investment appraisal	Not applicable	Not applicable	Not applicable
12. Affordability	<ul style="list-style-type: none"> • Does not reduce reactive works in future • Is not cost effective as likelihood of further project required in next 5 years is high 	<ul style="list-style-type: none"> • Reduces reactive costs for medium term 	<ul style="list-style-type: none"> • Reduces reactive costs from HMCTS on certain items deemed as improvements • Non recoverable costs beyond vacant possession
13. Legal implications	Under the Courts Act 2003 the City has a statutory obligation to make the building available for Court use.	Under the Courts Act 2003 the City has a statutory obligation to make the building available for Court use.	Under the Courts Act 2003 the City has a statutory obligation to make the building available for Court use.
14. Corporate property implications	<ul style="list-style-type: none"> • Operational assets remain in a good, safe and statutory compliant condition. 	<ul style="list-style-type: none"> • Operational assets remain in a good, safe and statutory compliant condition. 	<ul style="list-style-type: none"> • Operational assets remain in a good, safe and statutory compliant condition. • Operational assets are fit for purpose and meet service delivery needs. • Property is managed in line with Corporate Property Asset Management Strategy • Operational assets remain in a good, safe and statutory compliant condition. • Operational assets are fit for purpose and meet service delivery needs. • Property is managed in line with Corporate Property Asset Management Strategy

	<i>Option 1</i>	<i>Option 2</i>	<i>Option 3</i>
15. Traffic implications	Not applicable	Not applicable	Not applicable
16. Sustainability and energy implications	None	<ul style="list-style-type: none"> Work to the windows will ensure that building will be more insulated and as a consequence its energy performance will be increased 	<ul style="list-style-type: none"> Work to the windows will ensure that building will be more insulated and as a consequence its energy performance will be increased
17. IS implications	Not applicable	Not applicable	Not applicable
18. Equality Impact Assessment	Not applicable	Not applicable	Not applicable
19. Recommendation	Not recommended	Recommended	Not recommended
20. Next Gateway	Gateway 4/ 5 - Authority to Start Work	Gateway 4/ 5 - Authority to Start Work	Gateway 4/ 5 - Authority to Start Work

	Option 1	Option 2	Option 3																
2.1. Resource requirements to reach next Gateway			<table border="1"> <thead> <tr> <th>Item</th> <th>Reason</th> <th>Cost (£)</th> <th>Funding Source</th> </tr> </thead> <tbody> <tr> <td>Instruct consultant to carry out indepth survey</td> <td>Carry out a further survey to create an accurate specification</td> <td>£10,000</td> <td>£9,816 remaining from gateway 1 / 2 budget and £184 from City's Cash Annual Provision for New Schemes</td> </tr> <tr> <td>Instruct consultants to draw up specification based upon surveydocument for tender against agreed option</td> <td>Carry out a further survey to create an accurate specification</td> <td>£10,000</td> <td>City's Cash Annual Provision for New Schemes</td> </tr> <tr> <td>Total costs</td> <td></td> <td>£20,000</td> <td></td> </tr> </tbody> </table>	Item	Reason	Cost (£)	Funding Source	Instruct consultant to carry out indepth survey	Carry out a further survey to create an accurate specification	£10,000	£9,816 remaining from gateway 1 / 2 budget and £184 from City's Cash Annual Provision for New Schemes	Instruct consultants to draw up specification based upon surveydocument for tender against agreed option	Carry out a further survey to create an accurate specification	£10,000	City's Cash Annual Provision for New Schemes	Total costs		£20,000	
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Total costs		£20,000																	

Appendix 2 – Risk Register

City of London Gateway – Project Risk Register						
Project Name	External Repair Works at the City of London Magistrates Court					
Gateway Stage	Gateway 3 -4 Appendix 2					
Estimated Capital Cost	£539,087 (excluding risk)					
Risk Rating	Low	Medium	Medium	High	Low	Medium
Key Risks	Description / Impact	£ Loss Before Mitigation	Mitigation	£ Loss After Mitigation	Risk Rating	Risk Owner
Works Cost						
1.1 Design Development	<ul style="list-style-type: none"> Design Development: Design developed will be based on non-intrusive investigations so risk of cost increase as a result of design development. Risk cost estimate taken as 10% of construction cost 	£54,000	<ul style="list-style-type: none"> Design rigorously reviewed & managed post options stage 	£27,000	Medium	Project Manager
1.2 Resource / Consultant	<ul style="list-style-type: none"> Increase in Consultancy fees 	£10,000	<ul style="list-style-type: none"> Consultants tenders invited 	£2,500	Low	Project Manager
1.3 Programme	<ul style="list-style-type: none"> Programme slippage could result in works being delayed until the following year due to available access slots Programme slippage could result in emergency works/ repairs being carried out 	£25,000	<ul style="list-style-type: none"> Early approval issued by Highways Monitor programme 	£nil	n/a	Project Manager

1.4 Construction Cost Inflation	<ul style="list-style-type: none"> Construction begins later than expected: This is currently running at an average of 5% p.a. Risk cost is based on a 12 month delay to commencing construction (not included in Item 1.3 above) Issues identified – nil risk. 	£227,000	<ul style="list-style-type: none"> Early approval issued by highways Procurement programme monitored 	£nil	Low	Project Manager
1.5 Survey Issues		£nil		£nil	n/a	Project Manager
1.6 Existing Building Issues	<ul style="list-style-type: none"> Opening-up works are likely to reveal issues with existing state of seating not envisaged which will have to be addressed. Cost risk is compounded by it being a listed building. Cost of risk is estimated at 10% of the construction cost. 	£54,000	<ul style="list-style-type: none"> Full surveys prior to starting Tailor programme to minimise 	£27,000	Medium	Project Manager
1.7 Court closure	<ul style="list-style-type: none"> Works effect HMCTS business as usual 	£67,000 per hour	<ul style="list-style-type: none"> Construction programme tailored to minimise impact. Noise mitigation measures within courts. Consultation with HMCTS 	£2,000	Low	Client Dept
Design Fees / QS						
2.1 Final fees	<ul style="list-style-type: none"> Final fees in excess of budget 	£10,000	<ul style="list-style-type: none"> Fee quotation will be tendered 	£5,000	Low	Project Manager
Other Costs						
3.1 Tender Exceeds Budget	<ul style="list-style-type: none"> Materials not being available to meet programme 	£10,000	<ul style="list-style-type: none"> sufficient lead in time allowed in programme 	£15,000	Low	Project Manager
3.2 Materials delayed	<ul style="list-style-type: none"> Not at risk provided project is not extended beyond City's control. 	£nil		£nil	n/a	
Total estimated risk against estimated Capital spend						£

