



Finance and Risk Committee of the Barbican Centre Board

Date: MONDAY, 5 JULY 2021
Time: 1.45 pm
Venue: VIRTUAL MEETING (ACCESSIBLE REMOTELY)

Members: Tijds Broeke (Chair)
Deputy Tom Sleight (Deputy Chair)
Randall Anderson
Russ Carr
Anne Fairweather
Robert Glick
Alderman David Graves
Deputy Wendy Hyde

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Accessing the virtual public meeting

Members of the public can observe this virtual public meeting at the below link:

https://youtu.be/Fs6l3P_ppd4

This meeting will be a virtual meeting and therefore will not take place in a physical location. Any views reached by the Board today will have to be considered by the Managing Director after the meeting in accordance with the Court of Common Council's Covid Approval Procedure who will make a formal decision having considered all relevant matters. This process reflects the current position in respect of the holding of formal Local Authority meetings and the Court of Common Council's decision of 15 April 2021 to continue with virtual meetings and take formal decisions through a delegation to the Town Clerk and other officers nominated by him after the informal meeting has taken place and the will of the Committee is known in open session. Details of all decisions taken under the Covid Approval Procedure will be available online via the City Corporation's webpages.

A recording of the public meeting will be available via the above link following the end of the public meeting for up to one municipal year. Please note: Online meeting recordings do not constitute the formal minutes of the meeting; minutes are written and are available on the City of London Corporation's website. Recordings may be edited, at the discretion of the proper officer, to remove any inappropriate material.

John Barradell
Town Clerk

AGENDA

Part 1 - Public Agenda

1. **APOLOGIES**
2. **MEMBERS DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THIS AGENDA**
3. **MINUTES**
To approve the public minutes and non-public summary of the last meeting held on 8 March 2021.

For Decision
(Pages 5 - 8)
4. **INTERNAL AUDIT UPDATE**
Report of the Head of Audit & Risk Management.

For Information
(Pages 9 - 24)
5. **PROJECTS UPDATE REPORT**
Report of the Director of Operations and Buildings.
(N.B. – To be read in conjunction with the non-public appendix at Item 11)

For Information
(Pages 25 - 30)
6. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
7. **ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT**
8. **EXCLUSION OF THE PUBLIC**
MOTION – That under Section 100A of the Local Government Act 1972, the public be excluded from the meeting for the following items, on the grounds that they involve the likely disclosure of Exempt Information, as defined in Part 1, of Schedule 12A of the Local Government Act.

For Decision

Part 2 - Non-Public Agenda

9. **NON-PUBLIC MINUTES**
To approve the non-public minutes of the last meeting held on 8 March 2021.

For Decision
(Pages 31 - 34)
10. **COVID-19 SITUATION UPDATE**
Report of the Chief Operating and Financial Officer.

For Information
(Pages 35 - 52)

11. **PROJECTS UPDATE: NON-PUBLIC APPENDIX**
To be read in conjunction with the report at Item 5.
For Information
(Pages 53 - 56)
12. **BUSINESS REVIEW - MAY 2021 (PERIOD 2 - 21/22)**
Report of the Chief Operating & Financial Officer.
For Information
(Pages 57 - 62)
13. **CONTROVERSIAL PROGRAMMING RISK REGISTER**
Report of the Director of Arts and Learning.
For Information
(Pages 63 - 74)
14. **RISK UPDATE**
Report of the Director of Operations and Buildings.
For Information
(Pages 75 - 104)
15. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
16. **ANY OTHER BUSINESS THE CHAIR CONSIDERS URGENT WHILST THE PUBLIC ARE EXCLUDED**

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FINANCE AND RISK COMMITTEE OF THE BARBICAN CENTRE BOARD **Monday, 8 March 2021**

Minutes of the virtual meeting of the Finance and Risk Committee of the Barbican Centre Board held on Monday, 8 March 2021 at 1.45 pm

Present

Members:

Deputy Tom Sleigh (Chair)
Deputy Dr Giles Shilson (Deputy Chairman)
Randall Anderson
Russ Carr
Deputy Wendy Hyde
Jeremy Mayhew
Emma Kane
Alasdair Nisbet

Officers:

Sir Nicholas Kenyon	-	Managing Director, Barbican Centre
Jonathon Poyner	-	Director of Operations & Buildings, Barbican Centre
Sandeep Dwesar	-	Chief Operating & Financial Officer, Barbican Centre
Natasha Harris	-	Director of Development, Barbican Centre
Leonora Thomson	-	Interim Artistic Director, Barbican Centre
Sean Gregory	-	Director of Innovation & Engagement, Barbican Centre
Niki Cornwell	-	Head of Finance and Business Administration, Barbican Centre
Matt Lock	-	Head of Audit & Risk Management, Chamberlain's Department
Leanne Murphy	-	Town Clerk's Department

1. APOLOGIES

There were no apologies.

2. MEMBERS DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THIS AGENDA

There were no declarations.

3. MINUTES

The draft public minutes of the Finance & Risk Committee meeting held on 11 January 2021 were approved as a correct record.

4. PROJECTS UPDATE REPORT

The Committee received a report of the Director of Operations and Buildings providing Members with an update on the Centre's maintenance and refurbishment projects that fall under the Cyclical Works Programme (CWP) and additional projects funded from other sources.

RECEIVED.

5. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

There were no questions.

6. **ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT**

The Chair advised Members that this would be Deputy Giles Shilson's last Finance & Risk Committee meeting and thanked to him for all of his hard work during his 10 years on the Board. Members and Officers echoed the Chair's sentiments and the Deputy Chairman thanked the Committee for their kind words.

7. **EXCLUSION OF THE PUBLIC**

RESOLVED – That under Section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12A of the Local Government Act.

8. **NON-PUBLIC MINUTES**

The draft non-public minutes of the Finance & Risk Committee meeting held on 11 January 2021 were approved as a correct record.

9. **COVID-19 SITUATION UPDATE**

The Committee considered a report of the Chief Operating and Financial Officer providing Members with an update on the current situation for the Centre as a result of the Covid-19 pandemic.

10. **BARBICAN BUDGET UPDATE**

The Committee received a report of the Chief Operating & Financial Officer setting out the current financial position of the Barbican Centre, together with its approach in managing the 21/22 budget during a period of unprecedented volatility as a consequence of the pandemic. The Barbican's long-term business plan was presented to the Board on 18 November and the immediate next steps being undertaken to deliver the plan was also provided.

11. **PROJECTS UPDATE: NON-PUBLIC APPENDIX**

The Committee received the non-public Projects Update appendix to be read in conjunction with item 4.

12. **BUSINESS REVIEW - JANUARY 2021 (PERIOD 10 - 20/21)**

The Committee considered a report of the Chief Operating & Financial Officer setting out the Business Review for the January 2021 (Period 10 – 20/21) accounts.

13. **CONTROVERSIAL PROGRAMMING RISK REGISTER**

The Committee received a report of the Interim Artistic Director updating Members on the Programming Controversial Risk Register and the identified potential risks that occur as a result of specific programmed events and activities, as well as outlining the mitigation processes in place for each.

14. **RISK UPDATE**

The Committee considered a report of the Director of Operations and Buildings updating Members on the risk management system in place at the Barbican, the significant risks that have been identified and measures for mitigation of these risks.

15. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

There were no questions.

16. **ANY OTHER BUSINESS THE CHAIR CONSIDERS URGENT WHILST THE PUBLIC ARE EXCLUDED**

There were no urgent items.

The meeting ended at 2.52 pm

Chairman

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Committee(s)	Dated:
Finance & Risk Committee of the Barbican Centre Board	05/07/2021
Subject: Internal Audit Update	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	N/A
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	N/A
What is the source of Funding?	
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: Head of Audit & Risk Management	For Information
Report author: Cirla Peall, Audit Manager	

Summary

This report has been prepared to provide Members with an update in respect of Internal Audit activity related to the Barbican Centre since the January 2021 meeting of this Committee. Audit Plan delivery has been completed in respect of 2020-21 and formal Internal Audit follow-up of recommendations is ongoing to enable the provision of a revised assurance opinion for each audit.

As at mid-June 2021 there are no live red priority recommendations and twenty two live amber priority recommendations which will be subject to formal follow-up.

Recommendation(s)

Members are asked to:

- Note the report
- Provide feedback on the proposed audit coverage for 2021-22

Main Report

Background

1. The Barbican Finance & Risk Committee receives updates in respect of delivery of Internal Audit work and the implementation of Audit recommendations.
2. A summary of outcomes is reported for finalised audit work i.e. where full management responses have been received and agreed.
3. In terms of high priority recommendations, this report provides Members with the latest implementation position, based upon information received from the Barbican Centre and audit follow-up undertaken.

Current Position

Delivery of Internal Audit Work

- The status of 2020-21 Plan delivery is outlined in Appendix 1 and reflects completion. Three audits have been finalised since the last Update Report in January 2021 and the related executive summaries are attached at Appendix 2. The remaining Health and Safety audit (part of a rolling programme) has been deferred to 2021-22 in consultation with Barbican colleagues.

Security

- The audit provided moderate assurance in respect of the arrangements in operation for management of physical security of the Barbican Centre.

Recommendations	Red	Amber	Green	Total
Number Made:	0	4	2	6

- All six recommendations were agreed by management with target implementation dates ranging between April and July 2021. Internal Audit has received status updates in respect of the amber priority recommendations (April 2021 due dates), enabling closure of one recommendation, and further evidence of implementation is awaited to inform the updated assurance opinion.

Facilities Management & Maintenance (Barbican & GSMD)

- The audit provided moderate assurance in respect of the Facilities Management arrangements in place including structures, contracts and policies, and the maintenance arrangements to ensure the provision of suitable facilities that are safe, compliant and well-managed.

Recommendations	Red	Amber	Green	Total
Number Made:	0	13	1	14

- All fourteen recommendations were agreed by management with target implementation dates ranging between May and September 2021; Internal Audit follow-up will be undertaken in October 2021.

Ticketing System

- The audit provided moderate assurance in respect of the controls within the new ticketing system.

Recommendations	Red	Amber	Green	Total
Number Made:	0	5	1	6

- All six recommendations were agreed by management with target implementation dates ranging from August to December 2021; Internal Audit follow-up will be carried out in January 2022.

Audit Plan 2021-22

11. Areas of Internal Audit coverage for 2021-22 have been developed in conjunction with Barbican colleagues. The proposals, as set out below, reflect a risk-focused approach to planning to ensure that resources are targeted appropriately. Feedback is sought from Members of this Committee on the proposed coverage.

Auditable Area	Potential Scope	Proposed Timing
Fire Safety	Compliance with legislation and industry standards, fire safety risk management, training and incident management.	Q2/3
Retail - Online Shop and Branded Merchandise	In addition to covering internal controls and process efficiency of general operation of the online shop, this review will have a commercial focus, looking at profitability of the shop and of the various branded product lines (sold via all channels).	Q4
Ticketing - Re-issue, Re-sale and Refund (spot-check)	To focus on the impact of the Pandemic in relation to tickets for events; the processes for dealing with all categories of transaction, looking at completeness and accuracy.	Q2/3
Spektrix - revisited	Enhanced follow-up of recent audit to examine the system in full operation.	Q4

12. Coverage will also include ongoing formal Internal Audit follow-up.

Live High Priority Recommendations

13. Formal follow-up is in progress in respect of the Barbican Security audit as target implementation dates have been reached for all but one (green priority) recommendation. Internal Audit has received status updates in respect of the recommendations and supporting evidence is awaited to demonstrate the control improvements described by management and to enable a revised assurance rating to be provided.
14. As at mid-June 2021 there are no live red priority recommendations and twenty-two live amber priority recommendations, as summarised at **Appendix 3**. It should be noted that twenty one of these recommendations arose from the three recently finalised audits and the vast majority are not yet due. Implementation evidence is required in respect of the remaining recommendation which has been subject to follow-up enquiries and is currently assessed as overdue against its revised target date.
15. Internal Audit continues to reiterate the importance of setting realistic timescales for demonstrating recommendations implementation. Management continue to be reminded that any implementation actions which are extended beyond the revised target date may will likely be subject to challenge by the Audit and Risk

Management Committee, whose expectation is that there should only be one extension to implementation timescales unless the circumstances are exceptional.

Corporate & Strategic Implications

16. The overall Internal Audit Plan is designed to provide assurance as to the adequacy of the City of London Corporation's systems of internal control and governance. This programme of activity is aligned with the Corporate Plan, Corporate Risk Register and Departmental Top Risks. The Barbican, as an institutional department of the Corporation, has a sub-section of the Plan and a programme of Internal Audit work that includes audit assignments and regular follow-up activity in respect of recommendations implementation.

Conclusion

17. Members are asked to note the details of completion of delivery of the 2020-21 Audit Plan and the live high priority recommendations position as at mid-June 2021. Follow-up activity is undertaken promptly in line with target recommendation timescales and revised assurance opinions are informed by a review of implementation evidence. Areas of audit coverage have been proposed for 2021-22, developed in conjunction with Barbican colleagues, and the Committee's feedback is sought in this respect.

Appendices

- Appendix 1: 2020-21 Barbican Audit Plan Progress
- Appendix 2: Executive Summaries for Recently Finalised Audits
- Appendix 3: Live High Priority Recommendations

Cirla Peall

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Internal Audit Work 2020-21

Project	Current Stage	Assurance Rating	Recommendations			
			Total Red	Total Amber	Total Green	Total
<u>Bars</u> A review of the adequacy of arrangements in place in relation to income collection, stock control and overall profitability, including controls to mitigate the risk of fraud.	Complete	Moderate	0	4	0	4
<u>Facilities Management & Maintenance</u> Barbican and Guildhall School: an examination of the Facilities Management arrangements, including structures, contracts and policies, and the maintenance arrangements to ensure that we provide suitable facilities that are safe, compliant and well-managed.	Complete	Moderate	0	13	1	14
<u>Security</u> An examination of the arrangements in operation for management of physical security of the Barbican Centre.	Complete	Moderate	0	4	2	6
<u>Ticketing System</u> An examination of the controls within the new ticketing system.	Complete	Moderate	0	5	1	6
<u>Health & Safety</u> Part of a proposed rolling programme of assurance work, liaising with Corporate Health & Safety to ensure alignment and maximising the coverage across both functions.	Deferred	-	-	-	-	-
TOTAL			0	26	4	30

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2020-21 Audit of Barbican Security, issued January 2021, Assurance Rating: AMBER

Executive Summary

Background & Scope

The Barbican Centre, a Grade II listed building, encompasses a Concert Hall, two Theatres, the Barbican Art and Curve Galleries and three Cinemas together with but not limited to seven Conference Halls, two Exhibition Halls and a Conservatory.

The terror attack at Manchester Arena in 2017, underlines the paramount importance of maintaining a secure venue, in order to keep Visitors, Members, and Officers safe.

A range of capital projects have recently been undertaken at the Barbican Centre to enhance security, including but not limited to: the upgrading of CCTV and Access Control Systems infrastructure; installation of Anti-Shatter Window Film, together with implementing Hostile Vehicle Mitigation measures.

The objectives of this Internal Audit review were to provide assurance that adequate arrangements are in place for:

- Setting a strategy which defines a long term, sustainable approach to security at the Barbican Centre.
- Undertaking appropriate security risk assessments to determine potential threats to the Barbican Centre.
- Implementing an appropriate security infrastructure at the Barbican Centre.
- Managing security incidents.
- Safeguarding valuable assets.

Summary

- The audit confirmed that there are adequate arrangements in place for setting the Barbican Centre's Asset Management Plan, which underpins the City's wider 2020-2025 Corporate Property Asset Management Strategy; the arrangements acknowledge the Barbican Centre's status as an Institution of the City, and not a legal entity in its own right.
- Whilst the Barbican Centre has taken appropriate action to determine its security vulnerabilities by commissioning Counter Terrorism Security Advisor (CTSA) reviews, there is no forward programme in place for undertaking further CTSA reviews. As such, changes in the nature of the Barbican Centre's security vulnerabilities may not be identified and appropriately managed.
- The audit established that the Barbican Centre: has delivered a range of capital projects (e.g. CCTV and Access Control Project, Implementation of Hostile Vehicle Mitigation measures) to address the security vulnerabilities identified by the CTSA reviews; utilises the City's Corporate contract with ISS, for the provision of Manned Guarding. However, the audit identified clear scope for improvement on the part of the contractor in delivering Manned Guarding services.
- There is clear scope for improving Security Incident Management capabilities by enhancing monitoring arrangements to ensure that all security incidents are recorded within the City's online Corporate Security Incident Tracker together with subsequent actions required to reduce the likelihood of security incidents re-occurring. Where actions required are not recorded there is an increased level of risk that the actions will not be implemented.
- Whilst there are adequate arrangements in place for safeguarding valuable and portable IT assets, the audit identified scope to enhance internal control by implementing measures to periodically confirm that mobile phones and tablets allocated to staff are accounted for.

- Monitoring the cost of keeping the Barbican Centre secure against assigned budgets.
- Measuring the effectiveness of security arrangements at the Barbican Centre, through performance measurement and management.

- There are adequate arrangements in place for safeguarding artwork on display within the Barbican Centre's Art and Curve Galleries.
- On the basis of audit work undertaken, the audit confirmed that there are adequate arrangements for monitoring security related costs against budget.
- The Barbican Centre does not utilise performance measures (e.g. Key Performance Indicators) to determine the effectiveness of the Barbican Centre's Security arrangements. In the absence of performance measures deficiencies in security arrangements may not be identified, potentially resulting in hazardous events.

Executive Summary

Background and Scope

The Barbican Centre, a Grade II listed building, and Guildhall School, with its state-of-the-art performance facilities, have extensive and complex repairs and maintenance requirements. Delivery of effective repairs and maintenance services is vital in keeping these organisations operational.

Currently, repairs and maintenance are delivered under a hybrid model, utilising the City of London’s Corporate Building Repairs and Maintenance contractor, Skanska, and an internal Engineering Team, overseen by the Head of Engineering and Projects. Skanska and the Engineering Team utilise the Micad Computer Aided Facilities Management system and the Agility Asset Management System respectively, to deliver their services.

The objectives of this review were to provide assurance that there are adequate arrangements in place for:

- Devising a suitable long-term Facilities Management Strategy.
- Managing delivery of Programmed Maintenance.
- Managing delivery of Reactive Maintenance.
- Ensuring compliance with Health and Safety Legislation and Statutory requirements.
- Managing the performance of the Engineering Team.
- Managing maintenance expenditure in line with approved budgets.

Summary

The Audit review found that:

- A suitable long-term Facilities Management Strategy is in place.
- There is clear scope to improve the controls in place to ensure the effective delivery of both programmed maintenance and reactive maintenance.
- There are specific areas of non-compliance with Health and Safety Legislation and Statutory requirements.
- There is no performance management framework in place to drive performance improvement within the Engineering Team.
- Overall, there are adequate arrangements in place for managing repairs and maintenance expenditure in line with approved budgets.
-

2020-21 Audit of Barbican Ticketing System, issued June 2021, Assurance Rating: AMBER

Executive Summary

Background

This audit was undertaken as part of the Audit 2020-21 Internal Audit Plan.

In March 2016, the Barbican risk register identified a risk with respect to the Ticketing System (Enta) and the risk of financial instability of the supplier, and lack of future development. To address this, system replacement options were investigated and a ticketing system procured. The Spektrix ticketing system went live in February 2020 and has approximately three hundred users.

Scope

The objective of this review was to evaluate the extent to which:

- The Spektrix system has delivered against its specified business objectives.
- Secure configuration practices are in operation to maintain security, including routine patching and access controls.
- The Spektrix system is configured with management controls to prevent fraudulent and erroneous activity, for example in respect of transaction cancellations and refunds.
- Arrangements are in place to identify and manage both current emerging risks associated with the system.
- Management information and reporting mechanisms facilitate performance monitoring.

Summary

The Audit review found that:

- Overall delivery of the Spektrix system supports the Barbican business plan goals as specified under the umbrella of the Pillar 4 Technology Programme. Full delivery against the tender requirements could not be confirmed as this level of detail is not currently tracked.
- Secure configuration practices are implemented as part of the Software as a Service (SaaS) provided by Spektrix, including patching and anti-virus scanning. System access restrictions are in place with access based on the principle of providing least privilege/access. There is scope to further strengthen controls with three recommendations made.
- Elements of management control are in operation to reduce fraudulent and erroneous activity through a range of measures such as system workflow and the ability to restriction permissions. Temporary removal of authorisation protocols for refunds during the Covid-10 pandemic need to be reinstated once normal operations resume.
- Established arrangements are in operation for identifying and tracking resolution of system issues giving rise to risks, and for escalation of significant risks to the departmental risk register.
- A regular review of Spektrix system performance against the Service Level Agreement is not currently in place with a recommendation made. It was noted that Spektrix system enables data capture to facilitate production of key management information. Several inbuilt reports are in use across various departments and greater use is expected once ticketing activity increases following Centre reopening.

Schedule of Barbican Centre Live High Priority Recommendations as at mid-June 2021

Recommendation Area	Priority	Status	Original Target Date	Revised Target Date	Comment
<p><u>1. IT Projects (MK 3150)</u> In rolling out the use of Project Initiation Forms for non-strategic IT projects:</p> <ul style="list-style-type: none"> • Consideration should be given to the development of guidance to aid PIF completion, including identification of mandatory content. • Project documentation should contain a clear line of sight between project objectives and the related strategic goals, facilitating evaluation of delivery. 	Amber	Overdue	31/01/2020	31/01/2021	<u>Internal Audit Comment:</u> Partially Implemented. Overdue against revised target date. Implementation evidence required in order to close this down.
<p><u>2. Security (MK 3599)</u> The Director of Operations and Buildings should:</p> <ul style="list-style-type: none"> • Introduce a set of performance measures to measure the effectiveness of the Barbican Centre's security arrangements. • Determine appropriate governance arrangements for monitoring and managing performance in relation to the measures. 	Amber	Due	30/04/2021	N/A	<u>Internal Audit Comment:</u> Formal follow-up is in progress. Implementation evidence is awaited.
<p><u>3. Security (MK 3602)</u> The Director of Operations and Buildings should enhance monitoring arrangements to ensure that the City's Corporate Security Incident Tracker is fully populated in relation to the security incidents occurring at the Barbican Centre.</p>	Amber	Due	30/04/2021	N/A	

Recommendation Area	Priority	Status	Original Target Date	Revised Target Date	Comment
<p><u>4. Security (MK 3604)</u> The Director of Operations and Buildings should liaise with the City Surveyor's department to instigate contractual remedies to address the performance issues raised.</p>	Amber	Due	30/04/2021	N/A	
<p><u>5. Facilities Management & Maintenance (MK 3649)</u> The Principal should ensure that the Guildhall School's Management Information Dashboard is presented to Members of the School's Executive Board, on a quarterly basis.</p>	Amber	Not Yet Due	30/06/2021	N/A	Internal Audit Comment: Formal follow-up to be carried out in October 2021.
<p><u>6. Facilities Management & Maintenance (MK 3650)</u> The Head of Engineering Projects should determine appropriate productivity targets and wider performance measures for the Engineering Team and implement a framework for monitoring performance accordingly, in order to drive the necessary improvements in performance.</p>	Amber	Not Yet Due	30/09/2021	N/A	
<p><u>7. Facilities Management & Maintenance (MK 3652)</u> The Head of Engineering and Projects should ensure that the accuracy and completeness of Programmed Maintenance tasks within the Micad and Agility systems are periodically verified.</p>	Amber	Due	31/05/2021	N/A	
<p><u>8. Facilities Management & Maintenance (MK 3653)</u> The Head of Engineering and Projects should ensure that Skanska's performance in completing Programmed Maintenance tasks is regularly monitored, to ensure Skanska are delivering in accordance with contractual requirements.</p>	Amber	Not Yet Due	15/07/2021	N/A	

Recommendation Area	Priority	Status	Original Target Date	Revised Target Date	Comment
<u>9. Facilities Management & Maintenance (MK3656)</u> The Head of Engineering and Projects should implement a framework for monitoring the quality of Programmed Maintenance, completed by both Skanska and the Engineering Team.	Amber	Not Yet Due	15/07/2021	N/A	
<u>10. Facilities Management & Maintenance (MK 3657)</u> The Head of Engineering and Projects should ensure that the completeness of the Asbestos Register is subject to regular verification.	Amber	Not Yet Due	31/07/2021	N/A	
<u>11. Facilities Management & Maintenance (MK 3660)</u> The Head of Engineering and Projects should ensure that all water management tasks are set out within the Programmed Maintenance Schedules.	Amber	Due	31/05/2021	N/A	
<u>12. Facilities Management & Maintenance (MK 3661)</u> The Head of Engineering and Projects should implement an appropriate action plan to ensure that all outstanding all Gas Safety, Electrical Safety and Water Management tasks are completed.	Amber	Not Yet Due	15/07/2021	N/A	
<u>13. Facilities Management & Maintenance (MK 3662)</u> The Head of Engineering and Projects should ensure that Skanska's performance in completing reactive maintenance tasks on a timely basis is regularly monitored to ensure conformance to contractual requirements.	Amber	Not Yet Due	15/07/2021	N/A	

Recommendation Area	Priority	Status	Original Target Date	Revised Target Date	Comment
<u>14. Facilities Management & Maintenance (MK 3664)</u> The Head of Engineering and Projects should implement a framework for monitoring the quality of Reactive Maintenance, completed by both Skanska and the Engineering Team.	Amber	Not Yet Due	15/07/2021	N/A	
<u>15. Facilities Management & Maintenance (MK 3665)</u> The Head of Engineering and Projects should ensure that the skills analysis exercise is completed in an appropriate timeframe.	Amber	Not Yet Due	30/09/2021	N/A	
<u>16. Facilities Management & Maintenance (MK 3666)</u> The Head of Engineering and projects should enhance monitoring arrangements to ensure that quoted works are subject to approval prior to works being initiated.	Amber	Due	31/05/2021	N/A	
<u>17. Facilities Management & Maintenance (MK 3667)</u> The Head of Engineering and Projects should implement arrangements for verifying the accuracy of reactive maintenance tasks recorded as 'completed' in Micad.	Amber	Due	31/05/2021	N/A	
<u>18. Ticketing System (MK 3741)</u> a) Administration accounts should be limited and controlled and existing accounts should be regularly reviewed to ensure they are still required or removed where they are superfluous to requirements. b) A regular exercise should be undertaken to review and remove any unnecessary accounts with a record maintained to demonstrate the practice performed for on-going assurance of proper management of administration accounts.	Amber	Not Yet Due	31/07/2021	N/A	<u>Internal Audit Comment:</u> Formal follow-up to be carried out in January 2022.

Recommendation Area	Priority	Status	Original Target Date	Revised Target Date	Comment
<p><u>19. Ticketing System (MK 3747)</u> Controls should be strengthened to reduce the risk of unauthorised system access, either through Single Sign-On (SSO) or increased Spektrix password controls.</p>	Amber	Not Yet Due	31/12/2021	N/A	
<p><u>20. Ticketing System (MK 3770)</u> The Head of Systems and Data should undertake an exercise with key users to review the deliverables in the tender document to establish the latest position, determine what has been delivered and what is still needed to be implemented to support delivery of departmental and corporate objectives.</p>	Amber	Not Yet Due	30/09/2021	N/A	
<p><u>21. Ticketing System (MK 3771)</u> Barbican management should request formal reports on performance against SLA targets and undertake regular service performance review meetings to ensure that: targets are being met, issues are identified at the earliest opportunity, and appropriate action is taken on a timely basis.</p>	Amber	Not Yet Due	30/09/2021	N/A	
<p><u>22. Ticketing System (MK 3774)</u> System and / or management controls over refunds should be applied as soon as practicable to minimise the risk of fraud and error. Where refund restrictions have been lifted, there should be regular review of available management information.</p>	Amber	Not Yet Due	30/09/2021	N/A	

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Agenda Item 5

Committee(s)	Date:
Finance and Risk Committee of The Barbican Centre Board – For information	5 July 2021
Barbican Centre Board – For information	21 July 2021
Subject: Barbican Centre Projects Update Report	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	1, 5, 12
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain’s Department?	N/A
Report of: Jonathon Poyner – Director of Operations and Buildings	For Information
Report author: Cornell Farrell – Head of Engineering and Projects	

Summary

1. This paper provides a progress and financial summary on the Barbican refurbishment and maintenance projects.
2. The Centre has 49 live projects, of which, 6 are capital projects.
3. Progress on all approved Barbican Centre projects is stated in this report.
4. The City Surveyor is managing four capital projects on behalf of the Centre.
5. The financial information on each project is given in a separate non-public appendix due to commercially sensitive information.
6. The change of process whereby projects have to be completed within one financial year creates considerable risk to the delivery of projects at the Barbican Centre.

Recommendation(s)

- Members are asked to note the contents of this report.

Main Report

Background

1. The Operations and Buildings Directorate's strategy to maintain, improve and enhance the facilities, continues through the progression of building and refurbishment projects funded by the Cyclical Works Programme (CWP) or from the Corporation's (City Fund) Capital reserves.
2. Since the inception of CWP, projects had to be completed within three years from when the funding started. Starting this year 2021/22 project have to be completed within the current i.e., one financial year.

Current Position

CWP projects

3. The Centre has 43 approved CWP projects; There are 3 projects remaining from the 2018 year of approval, 9 from 2019, and 22 from 2020. The Reverse Engineering Project (2018) has been replaced with an Emergency Sprinkler Repair project with funding coming from the same year, 2018.
4. Funding for 10 new CWP projects became available in April 2021.
5. A financial summary of CWP projects is given in the table below:

Financial year approved	Original no of CWP Projects	Original CWP Combined Projects Value £000s	No of Live (Outstanding) CWP Projects	Combined Live CWP Projects Value £000s
2017/18	19	2,421	0	0
2018/19	10	1,065	3	310
2019/20	14	1,255	9	1,000
2020/21	24	3,745	21	3,435
2021/22	10	972	10	972

6. The project status summary is given for CWP projects below:

Financial year	No of Live (Outstanding) CWP projects	Project status (RAG)		
		RED	AMBER	GREEN
2017/18	0	0	0	0
2018/19	3	0	1	2
2019/20	9	0	0	9
2020/21	21	0	0	21
2021/22	10	0	0	10

7. Red status projects
Not applicable

8. Amber status projects
Distribution Boards (2018) has been raised to an amber since the last report on the basis the works have not started and must be completed by March 2022.

9. The project status summary is given for the Capital projects below:

Financial year	No of Live (Outstanding) Capital projects	Project status (RAG)		
		RED	AMBER	GREEN
2017/18	0	0	0	0
2018/19	2	1	0	1
2019/20	0	0	0	0
2020/21	3	0	1	2
2021/22	1	0	0	1

10. Red status projects
The funding for the fire related safety projects commenced in 2018. Full delivery of the project was expected to be completed. This is now managed by the City Surveyor and is due for completion March 2023.

11. Amber status projects
The Art Gallery Chiller was ideally to be replaced during the winter of 2020/21. The works have to coincide with both the winter and the Gallery schedule, so the project was delayed when it became clear we were not going to be able to deliver in the first window.

Proposals

12. It is the intention of the Barbican Centre to continue to engage in the corporate processes to acquire CWP and Capital funding for the on-going upkeep and improvement of the Centre. We will maintain the ability to manage most projects with the in-house team due to local knowledge required. We also work with the City Surveyor on the more complex projects.

Options

13. No alternative options are suggested in this report.

Strategic Implications

14. Projects delivered at the Centre consist of major repairs to building fabric and plant or major improvement schemes. These projects contribute to the City's aim to 'shape outstanding environments' by ensuring 'our spaces are secure, resilient and well maintained'.

15. Financial implications

The Barbican Project Management Team aim to deliver Value for Money (VFM) as part of a key output for all projects. The team work hard on project specifications, tender evaluations, contractor management and contract administration to manage the budgets. Savings from CWP projects are returned to the Centre to help fund other essential projects across the Corporation.

16. Resource implications

The Barbican Project Management Team remains under-resourced, comprised of the head of department, one permanent project manager, one interim assistant project manager and an apprentice business administrator.

17. Legal implications

There are a number of projects that require one or more of Planning Permission, Listed Building Consent or Buildings Regulation Approval and all projects are held until such permissions are in place. The nature of contracts and contract delivery and contract administration is such that disputes can occur. We are mindful that contract particulars are correct prior to engaging any consultant or contractor to protect the Barbican and the City in the event of a dispute. We request the services of the City Solicitor if ever required prior to or during any contract phase.

18. Risk implications

Every project carries some degree of risk that could prevent project delivery or impact on price, quality and/or time. In addition to this, there are risks to the Centre, the programme or the reputation. Project managers are mindful of these and take steps including appropriate communication strategies to involve all stakeholders to mitigate against these risks. Costed Risk Registers are invoked for all projects with the Gateway process.

The change to the process, whereby projects have to be completed in a single financial year poses considerable risk to the ability to deliver projects because of the know issues with accessing venues to scope, assess, design and deliver works.

19. Equalities implications

Equality, Diversity and Inclusion is a key strategy for the Barbican Centre. Any future structure changes and recruitment to the Project Management team will be such that any barriers are removed to aid recruitment, development, and progression of a more diverse workforce. The age and structure of the Barbican Centre mean that “access” is poor in relation to current standard and modern buildings. Where appropriate the projects aim to improve conditions for visitors, artists and staff and, to address the various disability categories.

20. Climate implications

The Barbican Centre is a high energy/resource user particularly in terms of electricity, water and district heating/cooling and the trend is upwards due to the age of some of the plant and increased demand at the Centre due to the growth in the programme. All MEP

(mechanical, electrical, plumbing) projects are an opportunity to replace kit with more efficient equivalents and to improve the strategy to reduce our carbon footprint.

21. Security implications

Projects can be security-based works, but other projects have temporary security and safety issues whilst works progress. E.g., CCTV or fire safety systems are taken offline to aid the works. This creates a potential vulnerability that must be managed for the duration of the works.

Conclusion

22. The Centre currently has 49 live projects. The RAG status of these projects is detailed in this report. The financial data on each project is listed in appendix 1.

Appendices

Appendix 1 – **Project financial information (Non-Public)**

Cornell Farrell

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