



Finance and Risk Committee of the Barbican Centre Board

Date: MONDAY, 5 SEPTEMBER 2022
Time: 1.45 pm
Venue: BARBICAN CENTRE MEETING ROOMS

Members: Tijs Broeke (Chair)
Tom Sleigh (Deputy Chairman)
Deputy Randall Anderson
Robert Glick
Deputy Ann Holmes
Alderman Sir William Russell

Enquiries: Ben Dunleavy
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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/mEu46C09fx8>

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 and Chief Executive

AGENDA

Part 1 - Public Agenda

1. APOLOGIES

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

3. MINUTES

To approve the public minutes and non-public summary of the last meeting held on 4 July 2022.

For Decision
(Pages 5 - 8)

4. BARBICAN CWP AND CAPITAL PROJECTS UPDATE REPORT

Report of the CEO, Barbican Centre.

For Information
(Pages 9 - 14)

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

6. ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT

7. 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

8. NON-PUBLIC MINUTES

To approve the non-public minutes of the last meeting held on 4 July 2022.

For Decision
(Pages 15 - 18)

9. BARBICAN BUSINESS REVIEW – JULY 2022 (PERIOD 4)

Joint Report of the Chamberlain and CEO, Barbican Centre.

For Information
(Pages 19 - 26)

10. RISK UPDATE

Report of the CEO, Barbican Centre.

For Information
(Pages 27 - 36)

11. CONTROVERSIAL PROGRAMMING RISK REGISTER

Report of the CEO, Barbican Centre

For Information
(Pages 37 - 38)

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

13. ANY OTHER BUSINESS THE CHAIR CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED.

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FINANCE AND RISK COMMITTEE OF THE BARBICAN CENTRE BOARD **Monday, 4 July 2022**

Minutes of the meeting of the Finance and Risk Committee of the Barbican Centre Board held at Committee Rooms, 2nd Floor, West Wing, Guildhall on Monday, 4 July 2022 at 1.45 pm

Present

Members:

Tijs Broeke (Chair)
Tom Sleigh (Deputy Chairman)
Deputy Randall Anderson
Deputy Ann Holmes
Robert Glick

Officers:

Ben Dunleavy	- Town Clerk's Department
Claire Spencer	- CEO, Barbican Centre
Will Gompertz	- Director of Arts and Learning
Matthew Lock	- Chamberlain's Department
Jonathon Poyner	- Barbican Centre
Sarah Wall	- Chamberlain's Department
Charlotte Lythgoe	- Barbican Centre

1. APOLOGIES

There were no apologies.

The following Members observed the meeting: Tobi-Ruth Adebukun (online), Alderman Sir William Russell (online), Russ Carr, Zulum Elongo (online), Gerard Grech (online) and Mark Page (online).

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

There were none.

3. MINUTES

The public minutes and non-public summary of the meeting held on 4 February 2022 were agreed as a correct record.

4. INTERNAL AUDIT UPDATE

Members received a report of the Head of Internal Audit providing an update in respect of
Internal Audit activity related to the Barbican Centre.

RESOLVED, that – Members receive the report and note the contents.

5. ***PROJECTS UPDATE**
Members received a report of the Director of Operations and Buildings.

RESOLVED, that – the report be received and its contents noted.
6. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
There were no questions.
7. **ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT**
There was no other business.
8. **EXCLUSION OF THE PUBLIC**
9. **NON-PUBLIC MINUTES**
The non-public minutes of the meeting held on 4 February 2022 were agreed as a correct record.
10. **BUSINESS PLAN**
Members received a report of the CEO of the Barbican Centre providing an update on the Barbican Business Plan.
11. **BARBICAN BUSINESS REVIEW - MAY 2022 (PERIOD 2 - 22/22)**
Members received a report of the Chief Operating and Financial Officer relative to the Barbican Business Review – May 2022 (Period 2).
12. **BARBICAN CENTRE ENVIRONMENTAL SUSTAINABILITY STRATEGY UPDATE**
Members received a report of the Director of Operations and Buildings providing an update on the Barbican Centre Environmental Sustainability Strategy.
13. **SECURITY REPORT**
Members received a report of the Director of Operations and Buildings relative to security.
14. **RISK UPDATE**
Members received a report of the Director of Operations and Buildings providing an update on the Barbican Centre's risk management system.
15. ***CONTROVERSIAL PROGRAMMING RISK REGISTER**
Members received a report of the Artistic Director providing an update on the Controversial Programming Risk Register.
16. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
There were no questions.

17. **ANY OTHER BUSINESS THE CHAIR CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

There was one item of non-public business.

18. **CONFIDENTIAL MINUTES**

The confidential minutes of the meeting held on 4 February 2022 were agreed as a correct record.

The meeting ended at 2.50 pm

Chairman

Contact Officer: Ben Dunleavy
ben.dunleavy@cityoflondon.gov

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Committee(s)	Date:
Finance and Risk Committee – For information Barbican Board Committee – For information	5 September 2022 21 September 2022
Subject: Barbican CWP and Capital 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: CEO, Barbican Centre	For Information
Report author: Cornell Farrell – Head of Engineering and Projects	

Summary

1. The purpose of this paper is to update members on the progress and financial position of the 58 live Barbican refurbishment and maintenance projects of which, six are capital projects.
2. The City Surveyor's Department is delivering three of the six capital projects and the Centre is the client/intelligent client for these projects
3. All capital projects were placed on hold in the July Operational Properties and Project Sub Committee meeting, pending financial review.
4. The financial information on each project is in a separate non-public appendix due to commercially sensitive information. There are no serious financial concerns, related to any individual project raised in this report. This could change based on the outcome of the financial review.

Recommendation(s)

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

Main Report

Background

1. The Centre remains committed to the buildings strategy to maintain, improve and enhance the facilities for the benefit of the community, audiences, and staff. Funding for improvement/enhancement/refurbishment projects is from the Cyclical Works Programme (CWP), the Corporation's Capital reserves (City Fund) or occasionally through the Centre's local risk.
2. Historically, CWP projects had to be completed within three years from when the funding started. 2021/22 saw a change that required projects to be completed in a single financial year. 2022/23 has seen a further change so projects have a two-year deadline. The nature of the operations and the size of the projects team means there is still some risk, and the Centre maintains the optimum period is three years.
3. A corporate financial review of all capital projects is underway, following the July Operational Properties and Projects Sub Committee meeting

Current Position

CWP projects

4. The Centre is managing 52 live CWP projects.
5. Funding for 19 new CWP projects became available in April 2022.
6. 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
2018/19	10	1,065	2	245
2019/20	14	1,255	6	655
2020/21	24	3,745	21	3,245
2021/22	10	972	4	450
2022/23	19	2,011	19	2,011

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

Financial year	No of Live (Outstanding) CWP projects	Project status (RAG)		
		RED	AMBER	GREEN
2018/19	2	2	0	0
2019/20	6	0	1	5
2020/21	21	0	1	20
2021/22	4	0	2	2

2022/23	19	0	0	19
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8. Red status projects

The two projects with red status are:

- Replace Barbican Kitchen doors
An amendment to the Planning Permission and Listed Building Consent applications caused a significant delay to the programme. The works have been extended from March 2022 to October 2022.
- Replace Electrical Distribution Boards
Arranging full power shutdowns is problematic for operational reasons. Works have now been scheduled to take place out of hours (overnight) for completion by the end of 2022. Surveys currently underway.

9. Amber status projects

The four projects with amber status are:

- Concert Hall accessibility study and minor works
- Replace level 4 flooring
- Level 4 heating replacement
- Frobisher Crescent Level 4 environmental controls

The three level 4 projects are mutually dependent works. As previously reported the deadline for the earliest has been extended to March 2023 which has a knock-on effect on the others. Planning/Listed Building Consent and funding all remain as issues/risks and hence projects will remain as amber until resolved.

The Concert Hall Accessibility project was scheduled to start construction in August 2022 but has been extended because of long lead in times for materials.

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

Financial year	No of Live (Outstanding) Capital projects	Project status (RAG)		
		RED	AMBER	GREEN
2018/19	1	1	0	0
2019/20	0	0	0	0
2020/21	1	0	1	0
2021/22	2	0	0	2
2022/23	2	0	0	2

11. Red status projects

Fire Safety Projects - The projects are now managed by the City Surveyor. A complex project, for which the completion date may now extend beyond March 2023.

12. Amber status Capital projects

Replacement Art Gallery Chiller - Consultants have now been appointed and it is anticipated that this project, which remains essential, will now be completed during winter 2022/23 dependent on the Art Gallery/Centre programme.

13. Corporate Review of Projects

All City of London capital projects were suspended in the July Operational Property and Projects Sub Committee meeting, pending a financial review. This is likely to lead to a three-month hiatus for some projects. Other projects are at further risk of being deferred or cancelled.

Proposals

14. The Barbican Centre continue to deliver CWP, and capital funded projects for the on-going upkeep and improvement of the Centre utilising project management resource from the Barbican and/or City Surveyor's Department as appropriate.

15. The Projects Department will work closely with the Barbican Renewal Team to ensure there is synergy between cyclical and capital programme and Barbican Renewal

Options

16. No alternative options are suggested in this report.

Strategic Implications

17. This work contributes to the City's aim to 'shape outstanding environments' by ensuring 'our spaces are secure, resilient and well maintained'.

18. Financial implications

The Barbican Project Management Team aim to deliver Value for Money as part of a key output for all projects. Savings from CWP projects are returned to the City to help fund other essential projects across the Corporation.

The financial review of all Capital projects is likely to have an impact on whether these projects continue as proposed/planned.

19. Resource implications

A small team of four project managers deliver all the projects excluding the three allocated to the City Surveyor. This team also manage multiple projects for the Guildhall School of Music and Drama buildings.

20. Legal implications

Legal implications are specific to each project. There are no current issues to be raised to the Board.

21. Risk implications

Every project carries some degree of risk that could impact on the project delivery. Rising prices, increased lead-in times, challenges in supply and delivery of materials are the current external generic risks to project delivery, whilst the internal risk are still access restrictions.

Section 13 above refers to the financial review that is underway. A three-month delay poses additional risk to timeframe on existing projects. It is possible other projects could be deferred to future years or cancelled completely.

22. Equalities implications

Equality, diversity and inclusion are key to the Barbican Centre and to the project team. These are integral considerations in, for example, involving and including excluded groups when we request quotes or undertake procurement processes. We have started a process of questioning our own behaviours when inviting quotes for consultancy or works, and we have actively engaged with CoL colleagues to improve our EDI performance. We will continue to monitor and review our performance on this key issue with City of London colleagues.

23. Climate implications

The Barbican Centre has high energy use, and the trend has been upwards. All MEP (mechanical, electrical, plumbing) and some fabric projects are an opportunity to replace kit with more efficient equivalents and to improve the controls and programming strategy to reduce the Centre's carbon footprint.

24. Security implications

There are no notable security implications within the current projects programme for the consideration of the Board.

Conclusion

25. The Centre currently has 58 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

Head of Engineering and Projects

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