

<b>Committee:</b> Barbican Board	<b>Date:</b> 20 November 2019
<b>Subject:</b> Barbican Capital Plan 2020/21	<b>Public</b>
<b>Report of:</b> Nicholas Kenyon	<b>For Approval</b>
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## **Summary**

This report presents for approval the Capital and Supplementary Plan for the Barbican for 2020/21.

## **Recommendation**

Members are asked to:

- i) review and approve the proposed capital and supplementary revenue projects budgets for 2020/21 for submission to Finance Committee,
- ii) authorise the Chamberlain, in consultation with the Chief Officer to revise these budgets to allow for any further implications arising from Corporate Projects, other reviews and changes to the Cyclical Works Programme;
- iii) agree that minor amendments for 2019/20 and 2020/21 budgets arising during budget setting be delegated to the Chamberlain.

## **Main Report**

### **Background**

1. An annual funding cycle to prioritise capital projects is being introduced for the first time this year. Departments will make their case for the allocation of centrally resourced capital funding, aligned with the Business Planning and the Medium-Term Financial Planning process. New Capital and SRP funding bids will no longer be considered on an ad hoc basis throughout the year.
2. The Policy and Resources Committee have established the following criteria against which capital projects will be assessed:
  - i) Must be an essential scheme<sup>1</sup>
  - ii) Must address a risk on the Corporate Risk register; or the following items that would otherwise be escalated to the corporate risk register:
    - a. Replacement of critical end of life components for core services;
    - b. Schemes required to deliver high priority policies; and
    - c. Schemes with a high reputational impact

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<sup>1</sup> Health and Safety Compliance, or Statutory Compliance, or Fully/substantially reimbursable, or Major Renewal of Income Generating Asset, or Spend to Save with a payback period within 5 years.

- iii) Must have a sound business case (clearly demonstrating the negative impact of the scheme not going ahead, i.e. penalty costs or loss of income, where these are material).
- 3. Annual bids for funding should be submitted using documentation based on the Gateway 1 Project Briefing document which has been adapted for this purpose. Bids that require central funding should also be included on the 'New Bids Appendix'. These bids should be considered and prioritised by the relevant service committee as part of the budget report (any schemes currently on hold as a result of the fundamental review must be included and reconsidered).
- 4. These prioritised bids will be centrally reviewed by the Corporate Priorities Board for corporate consistency and submitted to the Resource Allocation Sub Committee meeting in December in order to receive 'in principle' funding approval.
- 5. Only capital schemes with 'in principle' funding will be allowed to progress through the gateway process. Financial provision for these schemes will be incorporated into the draft capital programme and the medium term financial plan in order to confirm affordability, and approved by Court in March 2020. Once in principle funding for a scheme has been approved by Court in March 2020 it can then progress to Gateway 2 through to Gateway 4. Projects will progress to Gateway 4(a) for Resource Allocation Sub and Policy and Resources Committees to consider a final bid for funding.

### **Draft Capital and Supplementary Revenue Project budgets for 2020/21**

- 6. In priority order the Barbican are putting forward the following for 2020/21
  - i) Health & Safety and Compliance Works: Barbican Exhibition Halls. £5m. Appendix 2.

We will address the health and safety issues, the poor and aged condition of the building fabric, mechanical, electrical and other building services/installations, to make the building safer and assist building compliance. Projects Sub and Corporate Assets Sub Committee have noted that this is a health and safety risk and a corporate reputation risk.

- ii) Confined and Dangerous Spaces. £2m. Appendix 1.

In order to comply with health and safety regulations (Confined Spaces Regulations 1997), we aim to make it safer to carry out maintenance activities in designated confined spaces and other dangerous areas.

- iii) Replacement of Art Gallery Chiller. £300k. Appendix 3.

To remove existing, failing art gallery chiller and replace with a new chiller to ensure critical environmental conditions are maintained. Failure to deliver this would result in reputational damage to the corporation and likely very large claims from lenders if art works were damaged.

- iv) Redevelopment of Barbican Kitchens, Restaurants and Event Space - £2.8m. Appendix 4.

Design, build, adapt the catering block facilities to provide a new restaurant, a new event space and improved kitchen facilities at the Barbican Centre, thus enabling us to improve the quality of our customer experience, reduce costs and improve income lines.

## **Conclusion**

7. This report presents the Barbican's Capital and Supplementary Plan for 2020/21 for Members to consider and approve.

## **Appendices - Available to members on request**

- Appendix 1 – Project Briefing Exhibition Hall
- Appendix 2 – Project Briefing Confined and Dangerous Spaces
- Appendix 3 – Project Briefing Replacement of Art Gallery Chiller
- Appendix 4 - Project Briefing Redevelopment of Barbican Kitchens, Restaurants and Event Space

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